THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Some Peking Advice for Shanghai!

Political China Today!

By Sir Frederick Whyte

(Reprinted from the London Times)

The Organization and History of the Customs Administration

Peking Becoming Nervous over the Coming Spring War

By J. A. J.

The Attack on Dr. C. C. Wu

By Fan Foo-hsu

密勒氏評論報

SATURDAY MARCH 10, 1928

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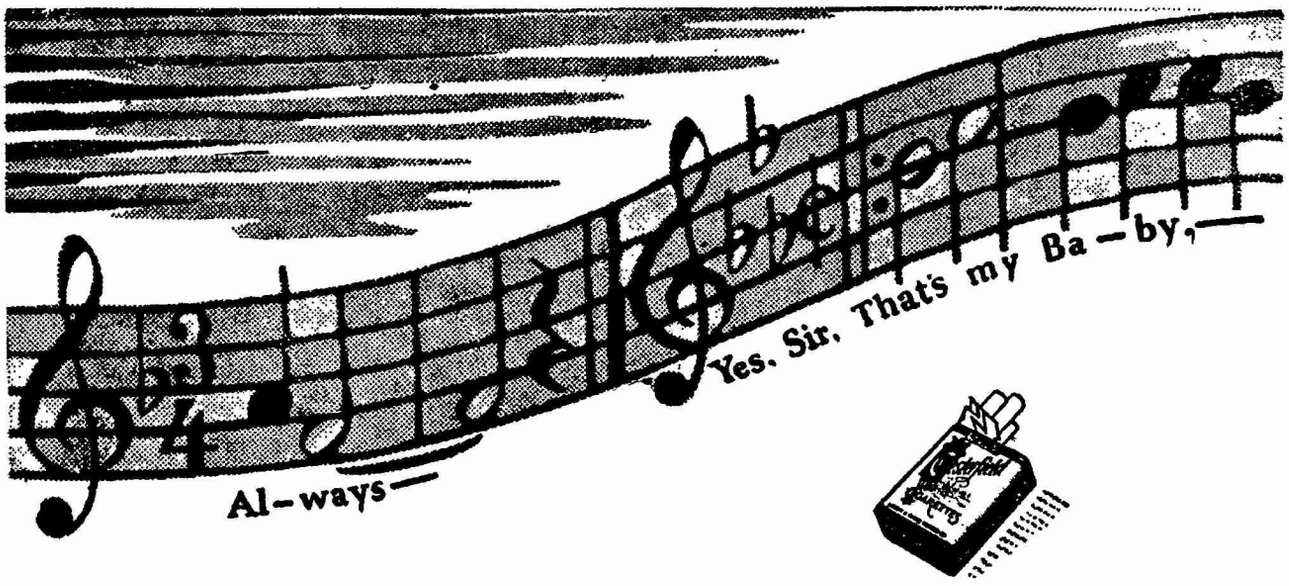

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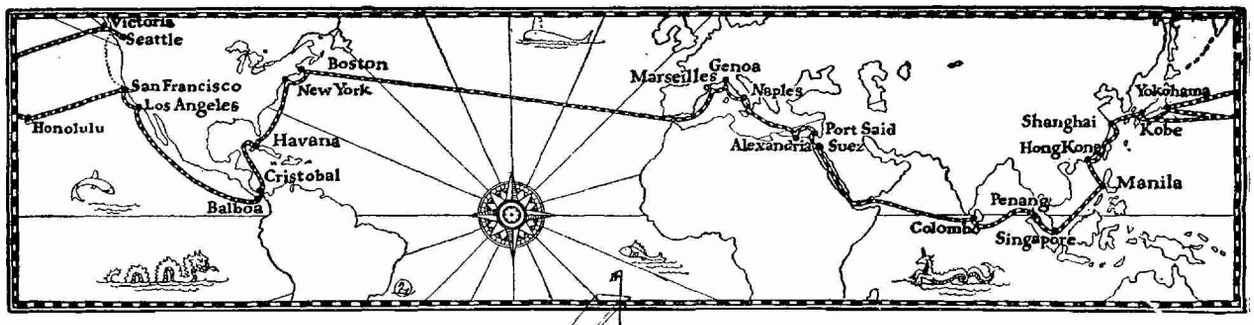

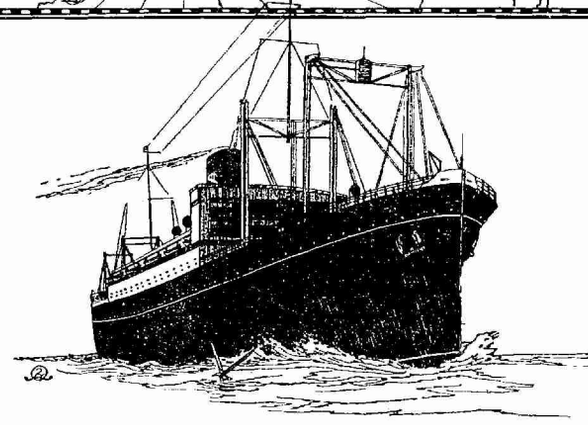

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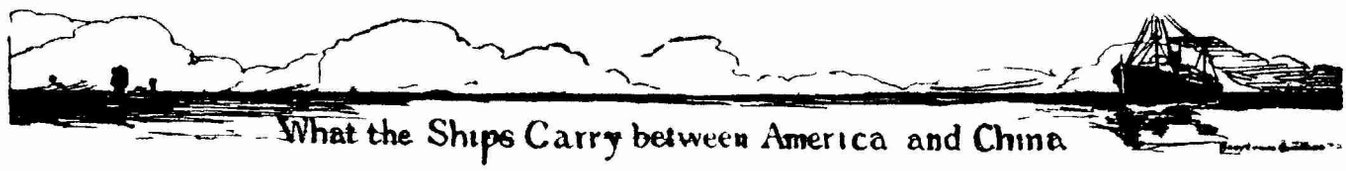

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PRESIDENT CLEVELAND,
February 2

To New York.

Silk, Raw, Re-reeled: White, other Ports Bls 30..... Pls 30 63
Silk, Raw, Steam Filature: White, Shanghai Bls 10..... ..... Pls 9 99
White, other Ports Bls. 10 .... ,, 9 99
Silk Raw, Filature Wild, other Ports Bls 30..... ,, 30.60
Silk, Piece Goods... ,, 0 76
Silk Pongees, Honan.. ,, 33,98
Silk, Pongees, Shantung ,, 3 43
Antimony, Regulus ... ,, 1,260
Brstles, Assorted..... ,, 794
Chinaware, Fine .... ,, 4
Egg Albumen, Dried.. ,, 42
,, Yolk, Dried..... ,, 42
Feathers, Duck ..... ,, 175
Feathers, Fowl..... ,, 30
Skins, Goat, Untanned ,, 111
Wool, Sheep's ..... ,, 438
Hats, Rush, Coarse... Pcs. 180,400
,, ,, Fancy .. ,, 14,400
Skins, Lamb, Untanned ,, 2,800
,, Sheep, ,, ,, 4,835
,, Rabbit, ,, ,, 14,000
Carpets, Woollen .... Sq ft 4,051

To San Francisco

Silk Piece Goods..... Pls 0 87
Brassware.... ..... ,, 8
Chinaware, Fine..... ,, 7
Egg Albumen, Dried.. ,, 38
Egg Whole, Dried .... ,, 14
Feathers, Duck .... ,, 66
Oil, Wood ..... ,, 9,658
Carpets, Woollen.....Sq ft. 1,092

To Los Angeles

Carpets, Woollen ....Sq. ft 1,564

To Kansas City.

Carpets Woollen..... Sq ft 286

To Honolulu.

Oil, Groundnut ... .. Pls. 8
Soapstoneware Ornaments ..... ,, 5
Vermicelli ..... ,, 3
Carpets, Woollen .... Sq ft 129

To Boston.

Cotton, Raw Bls. 100 Pls 395

To Luzerne, Pa.

Silk, Raw, Steam Filature. White, Shanghai Bls. 75 ..... Pls 74.36

To Fort Worth

Carpets Woollen ..... Sq ft 216

To Chicago

Soapstone Ornaments ..... Pls 13

To Huntingdon

Silk, Raw, Steam Filature: White ....Bls. 150 ,, 148 54

To Charleston.

Hair, Human, Stumps.. ,, 60

To New Bedford

Silk, Waste, Filature: Long, ... Bls. 10. Pls 29 63

To Buffalo, N Y.

Silk, Raw, Steam Filature: White.....Bls 270 ,, 267.94

To Shamokin, Pa

Silk, Raw, Steam Filature: White .... Bls. 94 ,, 94.02

To Philadelphia.

Wool, Sheep's ..... ,, 201

To St. Louis.

Nutgalls .... Pls. 840

RHINE MARU, Febuary 4.

To Philadelphia.

Cotton, Waste Bls 25. Pls. 96

To San Francisco.

Cotton, Raw..Bls. 200 ,, 702

To New York

Bags, Gunny, Waste .. ,, 179

BOWES CASTLE,
February 6

from U S. A.

Tin, Scrap..... Pls. 579
Steel, Galvanized: Wire Shorts ..... ,, 255
Grease, Lubricating, Mineral ..... ,, 150
Pitch ... . ,, 30
Skins, Calf ..... ,, 1
Tobacco, Prepared..... ,, 9
Oil, Lubricating, Mineral Galls. 64 261
,, Transformer .. 1,000
Cigarettes ..... Mille 44,000

ARABIA MARU, Feb 7
From U S. A.

Herrings, Salt ... ... Pls 1,450
Motor-cars ..... Pcs. 3
Timber: Softwood, Oriendary, Sawn .....Sup. ft 1,000,351

PRESIDENT VAN BUREN,
February 7

To Melilla.

Tea, Green: Young Hyson, other Ports ..... ,, 44
Hyson, Kiukiang .. ,, 28

To Alexandria

Tea, Green Gunpowder, other Ports ..... ,, 35
Sheetings, Grey .... Pcs 1,400

To Port Said.

Silk, Raw, Re-reeled: White, other Ports Bls. 5 ..... Pls. 5 10
Tea, Green. Young Hyson, Kiukiang . .. .. ,, 4

To Marseilles

Hides, Cow ..... ,, 18
Skins Rabbit, Untanned Pcs 4,154

To Naples

Hides, Cow ..... Pls 361

To Syracuse

Tallow, Vegetable .... ,, 86

To Calunia.

Tallow, Vegetable .... ,, 253

To Genoa.

Silk, Refuse, Filature: Shanghai....Bls. 40 ,, 131 39
Hides, Cow ..... ,, 96
Tallow, Vegetable .... ,, 235

To New York.

Tea, Green: Gunpowder, Ningpo. ,, 1-9
Antimony Regulus.... ,, 3 392
Antimony, Oxide .... ,, 168
Bristles, Black .... ,, 348
Feathers, Duck ... . ,, 336
Hides, Cow . ..... ,, 952
Hides, Buffalo ..... ,, 215
Hog Casings ..... ,, 80
Sheep ,, ... ,, 77
Goat ,, ... ,, 50
Duck Down ..... ,, 11
Soapstoneware ..... ,, 87
Tallow, Vegetable .. ,, 501
Tungsten Ore ..... ,, 174
Skins Goat, Untanned ,, 132
Carpets ..... Hk Tls 3,326

To Boston

Antimony, Oxide .... Pls 252
Hides, Cow ..... ,, 917
Skins, Goat, Untanned ,, 56
Sheep Casings ..... ,, 17

TATSUNO MARU,
February 14.

To Boston.

Oil, Wood ..... ,, 312

To New York

Silk Cocoon Strippings Shanghai ....Bls 13 ,, 41
Antimony, Crude .... ,, 840
,, Regulus... ,, 3,108
Cloisonne ware ..... ,, 4
Egg Yolk, Dried..... ,, 113
Hides, Ass ..... ,, 135
Nutgalls ..... ,, 218
Oil, Wood..... ,, 5,040
Seed, Sesamum ..... ,, 1,260
Skins, Goat ..... ,, 228
Tallow, Vegetable .... ,, 843
Skins, Deer ..... Pcs 5,802
,, Sheep, Untanned ,, 1,286

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton —Prices continued steady for spots during the past week but evinced an upward trend for near future deliveries And while the appreciation in yarn values is gradually and gratifyingly improving, actual business on the raw material was not so valuminous as the current enhanced values of Mills' products would warrant.

As to the future trend of the market, taking into consideration the steadiness in both Mid-Americans and Indians, the general sentiment in the trade at this time inclines to higher than lower rates prevailing on the local staple, due on the one hand to better prospects for Mills' output in the near future, and on the other to holders in the interior marts retaining same for more remunerative returns as the season progresses. These holders being encouraged in their firm attitude by the existing higher values on foreign cotton prohibiting importations so long as passably equivalent grades are procurable at lower figures in domestic markets

Yarn —During the past week there has been no change in the fundamental conditions of the yarn market Ftuctuations were within narrow limits and with a firmer undertone at close of the week In all some 6000 to 7000 bales of local spinning have been booked for export during the week under review,

Liverpool.—

American-Middling 10 36
American-Middling last reported 10 38
Tone of the Market, *Steady*

New York Market:—

Price of Mid-Amer. 18 95 Spot.
18 62 May.
18 51 July.
18 19 Oct
18 12 Dec
18 10 Jan
Tone of the market—*Steady*

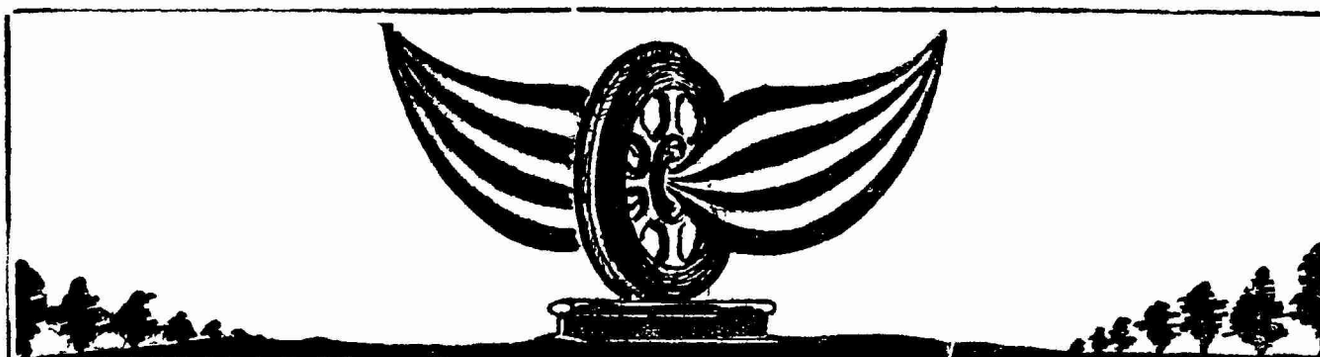
Indian Market:—

Fully Good Bengal, Mar. 308
Fine Oomra, Mar..... 337
Fully Good Broach, April/May 367
Tone of the market—*Steady*

Shanghai Market:—

	Tls.
Tungchow, Spot. Exwharf	37.00
Shanghai, Spot.....	35 50
M. Ginned, Spot.....	35 75
Shensi, No. 1 Mar.	37.00
Ningpo. Spot, Exwharf.	32.00

Tone of the market—*Firm*



Shanghai-Nanking Railway Abridged Time Table.

Main Line—Shanghai-North to Nanking.

UPWARD

STATIONS		Local	Fast	3rd & 4th Local	Express	3rd & 4th	Local	Fast	Local	Local	Local	Local	Night Express
Shanghai North	dep		7 00	7 20	8 50	9 05	12.10	12 35	14 20	16 10	18 10	19 35	21 30
Nansiang	,,		7.28	7 50	—	9 39	12 42	13 05	14 59	16 41	18 42	20 12	22 13
Anting	,,		7 49	8 19	—	10 10	13 05	13 29	I5 30	17 03	19 07		—
Kunshan			8 17	8 48	10 11	10 51		14 04	16 08		19 44		—
Soochow			9 11	9 53	10 54	12 04		14 57	17 14		20 36		1 06
Wusih	,,	6 35	10 13	11 05	11 50	13 30		15 50	18 28		21 35		2 50
Changchow	,,	7 51	11 14	12 07	12 47	14 48		16 55	19 32				4.33
Tanyang	,,	8.58	12 16		13 40	15 58		18 00					6 14
Chinkiang	,	10 05	13 10		14 23	17 09		18 57					7 02
Nanking	arr	12 05	14 49		15 40	19.19		20 30					8 42

Main Line—Nanking to Shanghai-North.

DOWNWARD

STATIONS		Local	Local	Local	Fast	Express	Local	3rd & 4th Local	3rd & 4th	Fast	Local	Local	Night Express
Nanking	dep				6 55	9 10			9 25	12 30		16 35	21 30
Chinkiang					8 43	10.46			11 40	14 30		18 54	0 24
Tanyang	,,				9 28	11 25			12 45	15 28		19 50	1 26
Changchow	,,		6 45		10 36	12 39		13 05	14 08	16 44		21 11	3 03
Wusih	,,	5 30	7 55		11 45	13 32		14 20	15 45	17 47		22 15	4 35
Soochow	,,	6 30	9 09		12 45	14 26		15 45	17 10	18 51			6 14
Kunshan	,,	7 21	10 13		13 32	15 03		17 10	18 24	19 42			—
Anting	,,	7 51	10 47	13 27	14 04	—	17 15	17 45	19 09	—			—
Nansiang	,	8 15	11 12	13 49	14 24	—	17 37	18 09	19.40	20 31	20 50		7 52
Shanghai North	arr	8 40	11 37	14 15	14 50	16 00	18 03	18 42	20 10	20 55	21 19		8 16

From the 25th May, 1927.

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zahkou DOWN — **Main Line** — Zahkou to Shanghai North UP

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local
			*	*	*	*
Shanghai N	d		8 05	9 15	13 30	15 35
Jessfield	d		8 21	9 32	13 46	15 51
Siccawei	d		8 27	9 40	13 53	15 58
Lunghwa J	d		8 40	10 02	14 07	16 14
Shanghai S	d		8 15	9 30	13 40	15 45
Lunghwa J	a		8 34	9 49	13 59	16 04
Sungkiang	d		9 20	11 00	14 53	17 08
Kashai	d		10 09	12 07	15 48	18 10
Kashing	d	7 40	10 40	12 49	16 23	18 35
Yehzah	d.	8 25	11 14	13 40	17 03	(a)
Changan	d	9 18	11 49	14 32	17 44	
Hangchow	d	10 34	12 45	16 00	18 55	
Zahkou	a	10 50	13 00	16 25	19 10	

STATIONS		Fast Local	Express R	2nd 3rd & 4th	Fast R	Fast Local
		*	*	*	*	
Zahkou	d		7 15	9 05	13 35	15 25
Hangchow	d		7 40	9 40	14 00	15 51
Changan	d		8 32	11 05	15 06	17 03
Yehzah	d.		9 03	12 03	15 43	17 46
Kashing	d	7 35	9 44	12 57	16 32	18 25
Kashai	d	8 06	10 08	13 35	16 59	(a)
Sungkiang	d	9 15	11 01	14 48	17 58	
Lunghwa J	d	10 11	11 41	15 53	18 47	
Shanghai S	a	10 30	12 00	16 12	19 07	
Lunghwa J	d	10 10	11 42	15 48	18 45	
Siccawei	d	10 19	11 49	15 57	18 54	
Jessfield	d	10 26	11 56	16 05	19 01	
Shanghai N	a	10 40	12 10	16 20	19 15	

Konzenchiao-Zahkou (Kiangshoo Branch Line) Zahkou-Konzenchiao

Konzenchiao	d	7 05	9 30	11.45	13 50	17.30	Zahkou	d.	8 15	10.35		15 10	18 35
Kenshangmun	d	7.21	9 48	12 01	14 10	17 46	Hangchow	d	8 34	10.54	12 38	15.29	18 58
Hangchow	d	7 38	10 00	12 12	14 23	18 03	Kenshangmun	d.	8 46	11 06	12 51	15 46	19 11
Zahkou	a.	7 55	10 20	(a)	14 40	18.20	Konzenchiao	a.	9.00	11 20	13 05	16 00	19 25

Note:—Trains marked with* are in connection with S.N.L. Trains at Shanghai North.
R—Restavrant.

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The Dragon Motor Car Co., Inc., Hongkong
The L. E. Gale Co., Hankow

DODGE BROTHERS MOTOR CARS

44-042

密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 191 .

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SENATOR WHEELER'S INQUIRY INTO U. S. INVESTMENTS.

THE AMERICAN Consulate-General at Shanghai is now engaged in an investigation of American financial investments in the Shanghai Consular District. Blank forms have been sent out to American companies and private citizens asking them to list holdings of real estate, buildings, equipment, bonds and other local securities. The letter which Mr. E. S. Cunningham, American Consul-General, sent out with the blank forms asking for information regarding American investments, said, "In view of the importance of the Government being in possession of adequate information, thus facilitating effective action at critical times, the prompt assistance of all concerned is earnestly solicited." This census of American financial holdings in the Shanghai Consular District, and elsewhere in China, is being compiled as a result of a resolution which was introduced in the Senate sometime ago by Senator Burton K. Wheeler of Montana calling upon the Senate Foreign Relations Committee to "inquire into the nature and extent of concessions abroad held by American citizens or companies in which they are interested." Senator Wheeler was in China last spring when there was much talk about American intervention for the purpose of protecting "American lives and property," in China. Doubtless as a result of his trip he has decided that the American people at home are entitled to know just what lives and whose property it is protecting—and why. The *Nation* in commenting on Senator Wheeler's resolution, says, "If our citizens are going to understand and correctly settle the numerous questions now growing out of our interests abroad, we must have adequate information as to what such interests are. We must no longer be satisfied with vague talk about protecting American lives and property. We must insist that the Department of State tell us precisely what lives and whose property it is protecting—and why." Everyone recognizes that a change has taken place in American diplomacy from the standpoint of protecting American interests abroad. In 1823, John Quincy Adams, Secretary of State, wrote that an American making a contract in a foreign country, "has no claim whatever to call upon the government of his nativity to espouse his claim, this government having no right to compel that with which he voluntarily contracted to the performance of that contract" In 1856 Secretary of State Marcy wrote, "The Government of the United States is not bound to interfere to secure the fulfillment of contracts between their citizens and foreign governments, it being presumed that before entering into such contracts, the disposition and ability of the foreign power to perform its obligations was examined, and the risk of failure taken into con-

sideration." Then later on in 1885 Secretary of State Bayard wrote that the American Government would do nothing more than draw the attention of a foreign sovereign to a contractual claim and this would be done only when the claim was "one susceptible of strong and clear proof." Owing to the vast development of American investments abroad since the World War there has naturally been a change in the attitude of the American Government in respect to the protection of American interests abroad, until there is a feeling in certain American circles now that the United States should send its Marines every time some American wholesale grocer fails to obtain payment for a case of canned asparagus sold to some native dealer in Szechuen province of China. There is a certain type of American engaged in foreign trade who apparently has forgotten that the Marines are ordinary human beings such as the rest of us and look upon them as a sort of mechanical debt-collecting agency to be used every time he gets into difficulty with his foreign contracts. In view of this situation, it is gratifying to know that Senator Wheeler has introduced his resolution and the Senate has given approval in order that the American people at home may be informed regarding just what American lives and property in China—and other countries should be protected—and why!

WOULD LEGALIZE OPIUM IN THE INTERNATIONAL SETTLEMENT!

THE CHINESE National Anti-Opium Association, in a communication to the foreign press on March 1, observes correctly that public opinion in Shanghai would be overwhelmingly against the legalization and licensing of the opium traffic in the so-called International Settlement. According to the report of the Association it was stated that a petition has been handed to the Shanghai Municipal Council giving ten reasons why a system of opium monopoly should be established in the Settlement. The chief argument had to do with finance, it being stated that the Settlement authorities could obtain a minimum of $2,000,000 annually by legalizing the traffic. The report also stated that the "licensing of opium would cause prostitutes and capitalists to flock into the Settlement and make it a richer municipality." Furthermore it was argued that it is futile to attempt to suppress opium while the neighboring Chinese areas and the French Concession are removing restrictions. No mention is made of the names of those desirous of legalizing opium in the Settlement, but supposedly the petition was presented by or on behalf of certain interests which might be expected to make money "through the influx of opium-smokers, prostitutes and capitalists" into the Settlement. It is gratifying to note that the Chinese General Chamber of Commerce, which also received a copy of the petition, has turned it down completely, the Chamber emphatically opposing the recommendation to "legalize a traffic against which the Council has fought for so many years." In connection with the activities of the National Anti-Opium Association, it is also interesting to note that the Association has recently sent a petition to the Nationalist Government which implies considerable criticism of the Nationalist Government's recently announced plan of gradual suppression by means of a monopoly licensing arrangement. The National Anti-Opium Association's petition follows:

Petition to the Nationalist Government

1. That the Nationalist Government instruct the local military and civil authorities to begin the prohibition of poppy cultivation in areas under their control this fall. The local authorities are to be responsible for any poppy discovered to be in existence in their locality hereafter.

2 That the Nationalist Government set a definite time limit for the total suppression of the illicit traffic and sale of opium in the different provinces under its control

3. That the Nationalist Government instruct different provinces to start compulsory ameliorative asylums in every district and to conduct a survey of the addicts, requiring them to be treated by shifts. Special arrangement should be made for controlling the sale of opium to the old and sick addicts by a system of registration so that amounts sold would be gradually decreased until stopped altogether.

4 That the Nationalist Government instruct all the officials both in military and civil service to set an example for the people. Any found to smoke opium should be immediately discharged

5. That the Nationalist Government instruct the authorities of different ports to strictly guard against the importation of foreign opium, morphine, heroin, cocaine and another form of narcotics Any found to be engaged in this business should be duly dealt with regardless of his nationality.

6 That the Nationalist Government instruct all the publishers to include anti-opium educational material in text books for middle and primary schools.

7. That the Nationalist Government lodge a strong protest against the legalized opium monopoly system maintained largely for the Chinese residents by the French, Dutch, Portuguese and British Colonial Government in the South Sea Islands,

8 That the Nationalist Government appoint a special committee on opium suppression to carry out the above plan

MISSIONARIES RENOUNCE AN "INDEMNITY" POLICY

ACCORDING to the report of the Board of Foreign Missions of the Reformed (Presbyterian) Church in the United States, that organization will not demand indemnities for losses suffered in consequence of the revolutionary crisis in China last year. The full report of the Board appeared in last week's issue of *The Review* but we reprint herewith the paragraph referring to indemnities for the purpose of emphasizing the campaign which has been in progress for some time among the American missionaries to divorce themselves from the so-called "imperialistic" policy of Western Governments in respect to China:

Why No Indemnities

"While the Board of Foreign Missions considers the destruction of some of the valuable property and equipment of our China Mission as unjustifiable acts, and can in nowise condone the same, and while we recognize the right of our Government to demand indemnities for the losses sustained, yet, being in China on a mission of love and good-will and for the spiritual benefit of the people, and realizing that the penalty would fall upon the local citizens, most of whom are innocent, we therefore waive this right and do not file any claim, and request the United States Government not to demand reparation for damages to property owned by the Board without first consulting it

"In view of the fact that some of our missionaries have sustained heavy losses by the looting of their residences, the Board will arrange to restore the same so far as possible by re-outfitting the missionaries on their return to the field.

An Emergency Expense

"From the foregoing, it must be evident to all our pastors and people that this critical situation in China will impose an extra financial burden estimated at about G $100,000, which calls for a liberal response on the part of the Church The Board has already had an outlay of at least G $30,000 for the return of the Missionaries to America and for those remaining in China and Japan. The heavier losses which must be faced are those caused by the destruction of the property and equipment of the Mission, and the looting of the homes of the missionaries."

SEARCHING CHINESE ON THE GARDEN BRIDGE.

WE KNOW of nothing more calculated to produce ill-will on the part of the Chinese population of Shanghai than the action of the

Shanghai Municipal Council in stationing White Russian Paid Volunteers on the Garden Bridge where all Chinese using that thoroughfare are subjected to search of their persons and parcels which they may be carrying in their motorcars or rickshas. The Garden Bridge which connects the Shanghai Bund and the Hongkew section of the city is probably the most used section of Shanghai's streets. The bridge is always congested with tramcars, motorcars, rickshas and pedestrians. But for several weeks the ordinary congestion on the bridge has been further complicated by the stationing of a number of armed White Russian guards who stop all Chinese and search them, presumably for concealed weapons. Foreigners are not interfered with, the presumption being that only Chinese are potential law-violators. Last fall these White Russian paid volunteers permitted several motorcars loaded with armed White Russians to pass across the bridge in order to attack the Soviet Consulate-General, a matter which attracted so much attention internationally that it was brought up in the British Parliament. The Soviet Russian Consul-General Mr. Koslovsky declared, prior to his departure from Shanghai that the White Russian volunteers were stationed on the Garden Bridge for the particular purpose of harassing the officials of the Consulate which is located nearby, but now that the Soviet Russians have departed, the White Russians have been continued in this position and devote their attentions to the Chinese, presumably for the purpose of detecting armed robbers and kidnappers. When it is known that there are at least a half dozen other bridges leading to the Hongkew section, the futility of searching the Chinese who cross the Garden Briged only, should be apparent to all—in fact it is apparent to about everybody in Shanghai with the exception of those responsible for giving the order. Recently there have been several cases where foreigners entering Chinese territory about Shanghai have been badly handled by the Chinese police and military. The explanation for this is probably to be found in the indignities to which the Chinese are subjected by the local municipal police, particularly the searching of Chinese who cross the Garden Bridge.

SOME PEKING ADVICE FOR SHANGHAI

THE FOLLOWING editorial from the *Peking Leader*, American newspaper in the Northern Chinese Capital, deals with the problem of Chinese representation in the administra ion of the so-called International Settlement of Shanghai·

Shanghai—And Realism

Shanghai apparently is in for further agitation over the question of payment by the Chinese ratepayers of the two per cent increase in the municipal rates.

Those interested will remember that last summer the Chinese ratepayers protested against the new increase, which had been voted by the foreign ratepayers in April, on the ground that they had no voice in deciding that the tax was to be nor in how the money was to be spent. This protest found expression in the form of refusal to pay

The municipal council authorities, after argument had failed, began to enforce payment by refusing to supply nonpayers with various municipal services such as electric light and water When this did not bring the desired results, police were sent to picket some of the recalcitrant shops

Finally some sort of understanding seems to have been reached The terms of the agreement never were made public, but the Chinese paid the increased rate and the difficulty apparently was smoothed over.

Now the question has been revived by the approach of the time for the payment of the spring taxes. More ill feeling, more mutual recrimination, more stirring up of the smouldering fires of antagonism are inevitable unless something really practical because constructive be done

The solution of the difficulty is simple enough. Not the Chinese only but almost every foreign authority who has visited Shanghai in recent years has pointed it out. It is to give the Chinese—who pay something over sixty per cent of the taxes in Shanghai, according to official figures —some fair share in the direction of the municipality's affairs Talking about how the Chinese are not competent to administer such a great city, and about how the agitation against the increased tax for a share in the government is the work of a few hot-heads and not the expression of the feeling of the solid Chinese leaders—all this makes interesting enough conversation but it does not touch the root of the difficulty.

In insisting that since they pay a good part of the taxes they should have something to say about how the money is spent, the Chinese, of course, are simply quoting one of the basic principles in western democratic government Quite apart from this, however, it would seem that even ordinary foresight should lead those responsible for Shanghai's affairs to see the wisdom of trying to meet the Chinese at least half way

Shanghai primarily is a commercial port. The prosperity of every one in it, including and especially the foreigners, depends on trade Trade, in turn, depends in very large measure on mutual confidence and good will. The attitude which the Shanghai authorities are taking is the direct opposite of that likely to promote good will. In seeking to avoid a little temporary difficulty from the readjustments which Chinese participation in the municipal council would require, they thus are creating very much more serious difficulties for themselves in the future.

Another ratepayer's meeting is due in Shanghai before long The ratepayers who have the right to vote—the foreign ratepayers, that is—in recent years have taken very little interest in these meetings. Slates and recommendations prepared in advance by a small group have been voted through with very little discussion. In some cases meetings have had to be postponed because not even the comparatively small number required for a quorum turned out.

There are, however, signs that a good many of the ratepayers are dissatisfied with the municipal council and the council's subordinates who have been managing affairs Perhaps a real opposition will develop and make itself felt at the coming ratepayers' meeting

Theoretically, the Shanghai form of government is a democracy—at least for the foreign ratepayers Experience elsewhere has demonstrated time and time again that a strong and vigorous opposition is of the greatest value in democratic government There can be no doubt that such an opposition, with even two or three members on the municipal council, very materially could alter for the better the whole atmosphere in Shanghai

There is plenty of grumbling by foreigners in Shanghai against the way things are run by the powers-that-be. These grumblers have a chance at the coming meeting to make themselves heard If they will come out into the open and stick together, very possibly they can secure enough share in the actual management of affairs to make some of their protests effective It is to be hoped they will do so

Fundamentally f course, the difficulty at Shanghai is precisely that which arises in various other fields of Sino-foreign relations out of the difference between two attitudes among the foreigners as to what ought to be done. One group insist that even from a purely selfish point of view it is better to deal with the equities of situations as they arise, to make re-adjustments in the position of foreigners in China when and wherever circumstances make it possible without marked unfairness to legitimate interests —in brief to act on the realization that while conditions in China at the moment preclude a thoroughgoing revision of the whole body of the treaties such a revision must come in due course and meanwhile it is best to prepare the way by such changes a, are practicable, Another group takes the position that the foreigners should hold on to every last shred of treaty-conferred rights just as long as possible, surrendering special privileges only in the face of *force majeure* and then only after every possible effort to retain them has been made

These latter like to call themselves the "realists". They are prone to accuse the others of being visionaries, dreamers, theorists who let their sentimentality run away with their common sense Much stronger terms than these are used.

In fact, however, those who favor the policy which has been called conciliatory are the true realists. They are

the ones who have the common sense to see that it is better to give up a privilege here and there with a gesture of generosity than to try to hold on to that privilege until it is bludgeoned away from them. They realize that friendly co-operation in working toward the inevitable new basis of Sino-foreign relations is the only possible way of avoiding vastly more serious complications than at present exist.

Fortunately, the home authorities of the principal foreign powers have seen the very practical wisdom of the conciliatory attitude

AN OUTLINE FOR FUTURE CHAMBER ADDRESSES!

FOR THE BENEFIT of future die-hard orators at dinners and meetings of the American Chamber of Commerce in Shanghai, *The Review* has made a list of the significant sentences contained in the addresses delivered at the MacMurray dinner on the evening of Monday, Feb. 27 by C. H. French chairman of the Chamber and C S. Franklin, our prize boy orator. The following sentences and phrases which occurred in these orations, are thus presented for the assistance of future orators before the American Chamber:

From Mr. French's Address:

1—America has no more patriotic or loyal citizens then those whose lot has been cast abroad.

2—Certain Soviet-inspired journalists have conducted a campaign of malicious and vindictive villification of American in China

3—A traitor to his country is one who betrays it

4—The first duty of every American is to promote his country's welfare

5—It is the duty of every American in China to promote the political, social and economic welfare of the Chinese people

6—The welfare of a people comprising nearly one-quarter of the population of the world is of vital concern to America, and particularly so from the standpoint of our own economic development

7—China is at the dawn of an intensive industrial and agricultural development which will not only rival that of Japan but which in view of present world facilities will be realized in a much shorter time.

8—Compute what that may mean to the future of America in terms of material prosperity, and then ask yourselves whether or not the people of the United States are concerned in China's welfare

9—If you are inclined to feel that China needs America more than America needs China, I ask you to turn your eyes toward the United States and consider that even now America urgently needs a vastly larger outlet for the rapidly and ever increasing surplus products of her industries.

10—We (officials, missionaries and businessmen) must do our part by assisting to retain and develop for America her just share of this stupendous potential market in Asia, this market which cannot fail to benefit in proportion as we ourselves benefit since the needs of China and America are reciprocal

11—Any policy formulated by the American Government which is not based on these considerations is politically and economically unsound

12—That evil hour when the sinister shadow of Soviet Russia fell athwart China

13—I say without fear of contradiction . that no greater peril has threatened the Chinese people since the days of Genghis Khan

14—Cruel, designing, cynical, trained in sophistry, and with an incredible lust for murder and destruction, the Red terror, under the guise of friendship, purposed to exterminate a helpless and distressed people

15—They planned through mendacious and subversive propaganda to keep the rest of the world blinded lest their hellish designs be fouled by outside intervention

16—Even after Borodin and Company had swept the Yangtsze Valley with his orgy of murder, rape, arson, looting, torture, and extortion, our home government and that of other nationals still professed to believe that it was merely a phase of China's factional struggle to attain unity

17—Such was the insidious influence of enemy propaganda upon the press of America that even that trained, able and impartial observer of world affairs, Frederick Moore of the *New York Times* was censured by his own paper for trying to tell the truth about China. (Moore was not only censured: he was fired).

18—In the face of dilitory instructions from home, and with the certainty that they would be subjected to venomous attack calculated to ruin their careers, they acted with the courage of their convictions (This statement referred to Mr MacMurray's alleged advocacy of intervention).

19—If, in all that riot, and confusion and darkness, friend was mistaken for foe, the essential fact remains that they and their associates did succeed in checking that monstrous saturnalia of Bolshevism sufficiently to give the Chinese people the opportunity to extricate themselves from the doom which portended

From Mr. Franklin's Address

1—Some Americans in China let their zeal for the political aspirations of their Chinese friends make them forget that they are first of all Americans. (This hits the missionaries).

2—These Americans are sincere sentimentalists, a type who would never cry out with Stephen Decatur, "My country, may she always be right, but right or wrong, my country" (Also the missionaries).

3—Then there are other Americans, who are not sincere, who with craven hearts, bought by the lust of gold have sold their birthright for a mess of pottage. (Mr Franklin has used this statement in his last three public orations, hence it is to be assumed that he likes it). (This hits at the Journalists).

4—We are not unsympathetic to the dreams of the Chinese of a unified and sovereign China enjoying the respect and confidence justified by her size, her wealth, and her population But we are not willing to further those ends at the expense of the dignity and the prestige of our own country

5—We are willing to relinquish our rights when conditions warrant such action but we do not care to have them torn from us We do not wish to be driven out of China

6—When peace does come to this great country; when order takes the place of chaos and China becomes a sovereign state in fact as well as in name, none will be happier than those same Americans who now insist upon an orderly and legal transition. All of our interests will benefit by the creation of a stable government, by the establishment of justice, by the rehabilitation of finance and by the resumption of communications

In explanation it should be stateed that the foregoing sentences and phrases from the addresses of French and Franklin may be used in the order which they occurred originally, or if desired they may be used in reverse order. It is the hope of *The Review* that this compilation will be of service to future Chamber of Commerce orators in calling attention to the so-called "Red Maence" in China and also in calling attention to the underlying motives of American friendship for China as interpreted by Chamber orators. It is also hoped that this compilation will be of service to those who may be unable to attend future Chamber of Commerce dinners. In short, if you are unable to attend the next dinner, just look up this issue of *The Review* and read these paragraphs over again and you probably will have the essentials of the oratory.

Madame Sun Yat-sen Leaving Russia for United States

According to letters received in Shanghai, Madame Sun Yat-sen, widow of the late leader of the Kuomintang, is shortly departing from Soviet Russia on a trip to Germany and then to the United States where she expects to spend considerable time prior to returning to China. According to an article appearing in one of the Russian papers in Vladivostok, Madame Sun Yat-sen has declared her intentions upon returning to China of "joining in the struggle of the workers and peasants, whose welfare the late Tsungli devoted forty years of his life, and who are now being slaughtered by reaction running amok and insolently parading under the Kuomintang banner" In the same interview, Mrs Sun is alleged to have expressed her continued opposition to the cessation of relations between Nationalist China and Soviet Russia

The Organization and History of the Chinese Maritime Customs Administration

The following historical account of the organization and development of the Chinese Maritime Customs Administration is reprinted from the "Encyclopaedia Sinica," by the late Edward Couling, who for many years was honorary secretary and editor of the North-China branch of the British Royal Asiatic Society.

THE foreign Customs establishment in China dates its birth from the 12th July, 1854 On the 6th July a notification was issued at Shanghai signed by M M. Rutherford Alcock, B C Murry, and B Edan, Consuls for Great Britain, United States of America, and France respectively, announcing.

"The reorganisation of the Custom House administration with a Board of Inspectors and upon a basis which it is hoped will ensure thorough efficiency. Consignees of all vessels entering or departing on or after the 12th instant will be required to report the same to the Custom House on the Soochow Creek, where the duties will for the present be collected in strict accordance with treaty provisions"

"His Excellency the Taotai and Superintendent of Customs having officially communicated to the undersigned his determination, with the assistance of a foreign establishment, to give the most complete execution to the treaty provisions for the equal collection of duties, and in all cases of fraud or irregularity rigorously to enforce the penalties, it will behove all masters and consignees of vessels in their own interests to observe the greatest care in the observance of the Custom House Regulations, a copy of which, subject to such modifications as may from time to time be announced, is annexed for general information"

"Masters and consigness of vessels already in harbour on the 12th instant will in like manner be required to put themselves in communication with the Custom House and conform to the Regulations in such manner as the Inspectors of Customs may require."

Precipitated By Taiping Rebellion

The occupation of the native city of Shanghai by the Triad rebels; the flight of the Chinese officials into the foreign settlements; the disorganised condition of the foreign trade resulting from the absence of any regular revenue authority; and the failure of the consuls or Chinese, after repeated attempts, to introduce any practicable method of collection were the immediate causes of this step. But behind it stood the secular dissatisfaction, going far back into the old Canton days, with Chinese ways of taxing trade. The farming of the revenue to the Superintendent of Customs and the bargain system of paying duties-with the unjust exactions, the inequality of treatment, the 'repacity of underlings, and the Custom House squalor and corruption which resulted-were among the grievances which had culminated in the war of 1840. With the signing of the treaties and the opening of the new ports it was clear that the extension of the trade had not done away with the old difficulties. The Chinese, even if willing to do so, were incapable of fulfilling their treaty obligation of establishing at the five ports open to foreign trade a fair and resonable tariff of export and import dues. For some time past it had been seen in responsible foreign circles that the remedy was a system of Customs administration preserving the Chinese authority but introducing foreign methods and discipline,-which could only be brought about by the employment of foreigners in the Chinese service. The disease and the remedy were well known; the course of events at Shanghai gave the needed opportunity to put the cure into operation.

The Inspector-General

The Board of Inspectors-appointed with the concurrence of and under the authority of the Chinese government, and thus Chinese officials from the start—consisted of M M. Thomas Francis Wade (British), Lewis Carr (American), and Arthur Smith (French), each of whom took the following oath in the presence of his own Consul.

"I swear truly and honestly to discharge all the duties of my office as Inspector of Maritime Customs and faithfully to observe all the conditions of such appointment as these are clearly set forth in the Minute of Conference signed by H E Woo, Taotai, and the Consuls of the three treaty Powers. So help me God."

The conference referred to was held at Shanghai on the 29th June, 1854. The three treaty Power Consuls were present and Woo Chien-chang (better known as "Samqua"), Shanghai Taotai and superintendent of Customs. At this meeting was drawn up a code of eight articles defining the basis upon which the new system was to work The principle underlying them was the reorganization, not the suppression, of the Chinese Custom House. The Consuls gave their aid in finding suitable foreigners for the work; but the authority and the responsibility remained ultimately vested in Chinese hands. The principle of a dual control in revenue matters—the foreign Commissioner having a Chinese colleague in the shape of the Superintendent of Customs who, until the troubles of 1911 rendered a change in this respect necessary, actually received banked, and took charge of the money paid in as revenue, has been maintained to this day.

Honesty and Efficiency

In June, 1855, Mr Wade resigned and returned to the consular service He was succeeded by Mr, Horatio Nelson Lay, Interpreter in the British Consulate. Mr Edan succeeded Mr. Smith, and Dr. Fish replaced Captain Carr The Inspectorate as thus constituted carried on the foreign business of the Shanghai Customs from 1854 to 1858. The benefits of the new system became quickly obvious Honest and efficient administration was established Trade was freed from underhand arrangements Accurate statistics were provided Honest merchants were protected The Chinese government received a valuable revenue which vastly improved its financial position Foreign help enabled the Chinese to carry out treaty obligations which they had undertaken and which unaided they were not competent to meet As Mr. Hart remarked in his 1864 memorandum on the subject of the Customs (British Blue Book No 1 of 1865)

"Under the treaties and having in view the future therein marked out for trade, an honest revenue administration became a matter of the first importance, and such an administration the Chinese unaided could not supply."

The Tientsin Treaties of 1858

In 1858 the treaties of Tientsin provided for the adoption of a uniform Customs system at every port, and for the engagement of subjects of the Treaty Powers by the Chinese government to assist in the collection of the Revenue, that is to say, for the extension of the Shanghai system Mr. (afterwards, Sir) Robert Hart left the British Consular Service in June, 1859 to fill the post of Deputy Commissioner of Customs at Canton

Meanwhile the Inspectorate at Shanghai had changed its character. The French and American Inspectors had withdrawn, and Mr Lay had been appointed Inspector General of Customs by Ho Kuei-ching, the Imperial Commissioner of Foreign Affairs Early in 1861 Mr. Lay was re-appointed Inspector General by the newly constituted Foreign Board (Tsung-li Yamen), and the Inspectorate headquarters were established at Peking, where, with some intermissions between 1861-64, they have since remained In April of that year Mr. Lay went to England on leave, the duties of Inspector General during his absence being performed by M.M Fitzroy (the Shanghai Commissioner) and Hart conjointly. These gentlemen held their commissions from the Imperial Commissioners for the southern and northern ports, but these were replaced soon after by a formal commission from Prince Kung, the head of the Tsung-li Yamen. Mr. Lay did not return to China till 1863, and while he was away offices had been established at all the other treaty ports. On his return Mr. Hart was appointed Commissioner at Shanghai, and charged with the direction of the Yangtze ports and Ningpo. In November, 1863, Mr. Lay was dismissed, owing to a difference of opinion with the Chinese government on the question of the so-called Lay-Osborne flotilla, and Mr. Hart was appointed Inspector General, The name of Sir Robert Hart (he was made C M. G. in 1879, K. C. M. G in 1882, G. C M. G. in 1889, and a baronet in 1893) is one with which the Chinese Customs Service must always be associated. He presided over its destinies, with only one or two short intervals of leave, from 1863 to 1908, when his health beginning to fail he returned to England, and held the substantive post until his death in September, 1911. In 1885 he had resigned in order to take up the post of British Minister at Peking, but had withdrawn his resignation on finding that the Chinese government did not agree with his views as to his successor. In April, 1908, Sir Robert E. Bredon, K. C. M. G the Deputy Inspector General, assumed charge as Acting Inspector General. In March, 1910, Sir Robert Bredon withdrew from the Service and was replaced by Mr, Francis Arthur Aglen, Commissioner at Hankow, who was appointed Deputy Inspector General and Officiating Inspector General adinterim. After the death of Sir Robert Hart, Mr Aglen received the substantive post by Imperial Rescript of 25th October, 1911.

Influence of Sir Robert Hart

While in a sense Sir Robert Hart was, if not the originator,

at any rate the foster-parent of the Customs Service, it must be remembered that such a Service could not be the work of any one man. Much must be ascribed to his subordinates, who ofter working obscurely in remote places did the spade work by which the foundations were laid Initiative had largely to be left to the Commissioners at the ports, and much of the development, not of the Customs only, but of the ports and China generally must be credited to the wise use of the power and influence of the men on the spot. The prospects offered by the new service were inviting enough to attract young men of good standing and ability, and among its early Commissioners the Customs had the good fortune to enlist a number of men of unusual capacity. The names of many of these pioneers are still remembered at the ports, and as a few among the many who did good work may be mentioned M. M T Dick, Baron De Meritens, A Huber, C Hannen, E C Bowra, G Detring, E B. Drew, W. Cartwright, H E Hobson, J A. Man, E C. Taintor, A Macpherson, H. Kopsch, and F. E. Woodruff.

By 1864 the Service was operating at 14 ports, the opening of the offices at the various places having generally been effected without difficulty. Since those days political and commercial developments in China have caused the opening of many more ports and frontier stations and a great growth in the functions of the Service The tonnage of vessels dealt with had grown from 6,635,485 tons in 1914, and the value of the Foreign Trade has swelled from Hk Tls 105,300,087 in 1864 to a gross value of about a thousand million taels at the present time.

Where Foreign Commissions are Located

The list of places at which there are now (1917) foreign Customs establishments is as follows:—

Port.	Sub-office.	Port.	Sub-office
Harbin.	Fuchiatien.	Kiukiang.	
	Manchouli.	Wuhu.	
	Suifenho.	Nanking.	Pukow.
	Sansing	Chinkiang	
	Lahasusu	Shanghai	Woosung.
	Aigun	Soochow	Tungchow.
Hunchun	Lungchingts'un	Hangchow	Kashing
Antung.	Tatungkow.	Ningpo	Chinhai.
Dairen (by	Port Arthur	Wenchow.	
arrangement	Pitzuwo.	Santuao.	
with the	Chinchow.	Foochow.	Pagoda (Mamoi).
Japanese	Pulantien.	Amoy.	
Government).		Swatow.	
Moukden (no		Canton	Whampao.
duties collected)		Kowloon.	Taishan.
Newchwang.			Lintin.
Tientsin Tangku.			Samun.
Sub-port;			Shumchun.
Chinwangtao			Shanchung.
Chefoo.			Shatowkok.
Sub-port:		Lappa.	Malowchow.
Lungkow.			Chienshan.
Kiaochow (Tsingtau) (by			Tungho.
arrangement first with		Kongmoon	
the German and later		Samshui	
with the Japanese		Wuchow	
Government).		Nanning.	
Sub-port		Port	Sub-office.
Chungking.		Kiungchow.	
Sub-port:		Pakhoi.	
Wanhsien.		Lungchow.	
Ichang.		Mengtsz.	Hokow.
Shasi.			Pishihchai.
Changsha.			Yunnanfu.
Yochow.		Szemao	
Hankow.		Tengyueh.	

Native Customs establishments (i e. those collecting duties from Chinese vessels of native type) were put under the Maritime Customs at the following ports by the Peace Protocol of 1901; Newchwang, Tientsin, Chefoo, Ichang, Shasi, Kiukiang, Wuhu, Shanghai, Ningpo, Wenchow, Santuao, Foochow, Amoy, Swatow, Canton, Kongmoon, Wuchow, Kiungchow and Pakhoi The arrangement was that all Native Customs stations within 50 li of the treaty ports should come under the control of the Commissioners of Maritime Customs. Investigation showed that Native Customs affairs were immensely complicated and that the system of administration required radical reform After some years of difficulty-all the stations not being finally taken over till 1913—the treaty provisions have been complied with; the Native Customs administration has been got under control as far as is possible on Maritime Customs lines, and great improvements have been effected. A large increase in revenue has resulted In 1902 the collection at all the ports amounted to Hk Tls 2,304,312, in 1916 it was Hk. Tls 3,746,645, Tientsin, Wuhu, Kiukiang, Shanghai, Canton, and Foochow are the most important centres for the collection of Native Customs revenue.

The Peking Staff

The Inspector General's Staff at Peking consists of four Secretaries of Commissioner's rank—Chief, Chinese, Audit, and Staff—each of whom has an Assistant Secretary of Deputy Commissioner's rank and an appropriate staff. Of the same standing are the other two Inspector General's Secretaries—the Statistical Secretary at Shanghai and the Non—Resident Secretary in London. The Statistical Secretary is the head of a large printing and publishing work of the Service is carried on, as well as the production of a large number of forms, etc., for the Chinese Post Office The Statistical Secretary is in general charge of all statistical matters, writes the annual trade report on China, and is responsible for the publication of all reports, trade statistics, and other works issued by the Service. The Non-Resident-Secretary is stationed in London. He examines European candidates for the Indoor Staff (after nomination by the Inspector General), procures stores as required, and acts generally as the Inspector General's agent in Europe

The Service is organized into three departments (1) Revenue (2) Marine (3) Works The Revenue Department is sub-divided into Indoor, Outdoor and Coast Staffs; the Marine Department into Coast Inspector's, Harbours, Lights, and Marine Staffs, the works Department into Engineers, Office, and Outdoor Staffs

The "Indoor Staff"

The Indoor Staff consists of Commissioners, Deputy Commissioners, Foreign Assistants (graded in 10 classes), Chinese Assistants (11 classes), and Clerks In addition to their other qualifications a knowledge of Chinese up to certain defined standards is required of all members of the Indoor Staff. The Commissioner is in administrative control of all departments at his port and is in all respects the Inspector General's representative and the local chief. As regards external and particularly as regards revenue matters he acts in consultation with his colleague, the Superintendent of Customs. As regards internal affairs and the control of his staff he acts entirely under the Inspector General's authority. The main work of the Indoor Staff is the assessment and collection of the revenue; but in addition it has the administrative functions of controlling all the various Service Departments in the ports.

The Outdoor Staff is divided into Executive and Examination branches, the head of both (under the Commissioner) being the (Chief) Tidesurveyor and Harbour Master. The Executive branch comprises Chief Tidesurveyors, Tidesurveyors, Assistant Tidesurveyors, and Boat Officers, the examination Branch, Chief Appraisers, Appraisers, Chief Examiners, Examiners, and Assistant Examiners There are in addition four classes of Tidewaiters, and a class of District Local Watchers. The Outdoor Staff is concerned principally with preventive work, the control of shipping, and the examination of goods.

Other Departments

The Coast Staff consists of the officers and crews of the Revenue Steamers and Launches, which are employed variously in revenue and prevention work, in light-tending, in work connected with buoys, beacons, and aids to navigation generally, and in surveying. In 1916 there were 5 Revenue Steamers, 7 Revenue Cruiser Launches, 33 Revenue Launches and 5 Sailing Craft employed in the above duties.

The Coast Inspector is, under the Inspector General and subject to the administrative control of each Commissioner in his own port, the head of the Marine Department. His functions, formerly advisory only, have become to some extent administrative. Subject to the above limitation, he has charge of the revenue steamer flotilla, the Lights Service, Aids to Navigations generally, of meteorological work, of surveying and the production of charts, and of any other matter where expert nautical assistance is required.

The Works Department is under the control of the Engineer-in-Chief assisted by a staff of engineers, Architects, and Clerks of Works. The authority of the Engineer-in-Chief, originally confined to Lights construction, buildings and machinery, has been extended to all Service buildings, both as regards construction and upkeep. Administratively, vis-a-vis Inspector General and Commissioners, the Engineer-in-Chief is in the same position as the Coast Inspector.

In 1864 the Customs Service employed about 400 foreigners and 1000 Chinese. The foreign staff is cosmopolitan in its basis and some twenty nationalities are represented. Of 42 Commissioners in 1916, 23 were British, 4 French, 4 German, 2 American, 2 Russian, 2 Japanese, 2 Danish, 1 Dutch, 1 Norwegian, and 1 Portuguese Of the 22 Deputy Commissoners in 1916, 13 were British, 4 French, 2 German, 1 American, 1 Norwegian, and 1 Dutch. But these proportions vary of

course from time to time with the exigencies of promotion

Foreign and Chinese Employes

In 1875 the Service employed 424 foreigners and 1417 Chinese In 1885, 506 foreigners and 2075 Chinese in 1895, 735 foreigners and 3471 Chinese After 1898, when the Customs undertook the work of creating the Chinese Postal Service, the numbers grew rapidly, and in 1910 had swelled to a total of nearly 20 000 employes (1468 foreigners, 17,701 Chinese), of whom 99 foreigners and 11,885 Chinese were engaged in postal work In 1911 the Post Office separated from the Customs and passed under the aegis of the Ministry of Communications, taking its foreign and native employes with it This caused a very considerable reduction of staff and in 1916 the Maritime Customs numbered 1321 foreigners and 6325 Chinese To these figures, however must be added the not inconsiderable number of Chinese employes in the Native Customs which have not yet been included in the Service List

The Customs revenue in 1864 was Hk Tls 7,874,257 Fifteen million taels were reached in 1886, twenty millions in 1887 (the year of the introduction of the new duty and likin on opium), and thirty millions in 1902 The highest mark was reached in 1913 (Hk Tls. 43 969,853) since when troubles at home and abroad have interfered with trade The revenue in 1916 was Hk Tls 37,764 310 which in view of the high exchange gave the good sterling yield of £6, 264,548

The duties collected are Import Duties, Export Duties, Transit Duties, Tonnage Dues, and Coast Trade Duties Tonnage Dues are a tax on shipping from which funds for the construction and maintenance of Lights, Buoys, and Beacons are derived Transit Dues and Coast Trade Duties are virtually octroi or charges on goods in internal transit of the same nature as Native Custom and Likin Taxes In 1915 the Export actually exceeded the Import Duties by over a million taels The treaty-makers seem not to have aimed at getting the Chinese Tariff upon a sound economic basis, but at simply confining within reasonable limits such levies as already existed As it is to-day the Tariff stands for no principle except the old Chinese one of putting a tax on every movement of trade A re-arrangement on more scientific lines, if such could be carried out, would be of undoubted benefit to the government and people of China, as well as to the foreign merchants and the bondholders who have lent their money upon the security of the Customs Revenue.

The Inspector-General's Authority

From 1861 to 1906 the Inspector General took his instructions from the Tsung-li Yamen, or Foreign Office, later on called the Wai Wu Pu and now the Wai Chiao Pu. In 1906 an Imperial Decree appointed two High Officials to control more immediately Revenue matters, as heads of the Shui-wu Ch'u or Department of Customs Affairs T'ieh Liang, President of the Ministry of Finance, was appointed High Commissioner of the Department, and T'ang Shao-yi, Vice-President of the Ministry of Foreign Affairs, Associate Commissioner The change made no difference in the internal administration of the Service, full authority as before remaining in the Inspector General's hands, and the institution of a department which could give its full attention to Customs affairs has proved of advantage in many respects

In 1908 the Customs College in Peking was opened, an institution established by the Shui-wu Ch'u to educate Chinese for the Indoor Staff Of the co-directors of the college, one is Chinese-Mr Chan Lun, proctor of the Shui-wu Ch'u—the other foreign, Mr C A V Bowra Chief Secretary in the Inspectorate General of Customs The College has about 100 students, admittance being gained by competitive examination, and the teaching is done by a staff of Chinese and foreign professors The College supplies a steady flow of welltrained Chinese recruits for the Customs Service

From the beginning the Customs has been constrained to undertake a number of outside duties Its first task was that of paying to France and England the indemnities incurred by China in the war of 1860 Then came the work of establishing lighthouses, aids to navigation, and the supervision of harbours, which latter involved the appointment and control, in conjunction with the Consular Authorities, of pilots and drawing up of pilotage regulations In 1915 there were maintained by the Customs in Chinese waters 182 Lights, 5 Lightvessels, 44 Lightboats, 171 Buoys, and 798 Beacons, with a total personnel of 55 foreigners and 467 Chinese

The Customs College

The T'ung-wen Kwan, a college in Peking with a branch in Canton for the instruction of Manchu youths in foreign languages and sciences, was established with the advice of the Inspector General in 1863, and Dr. W A P. Martin was appointed its head in Peking It was supplied with funds through the Customs; the Inspector General nominated the professors and frequently detached men from the Customs to teach in the school. The Peking college disappeared in the general chaos of 1900 by which time growth in education in China had rendered its continuance unnecessary, and it was merged in the Peking University by Imperial Decree of 11th January, 1902 The Canton school was on a smaller scale Appointments to its staff were made by the Inspector General, and it was under the control of the Canton Commissioner as the quasi colleague of the Tarter General Its connection with the Customs cease in 1906 when it was merged in a provincial school

Postal work, from very small beginnings in 1878, took formal shape in 1896 when an Imperial Decree put the creation of a Postal Service in the hands of Sir Robert Hart, and a great Service had already developed when the Chinese Post office set out upon its independent career after the separation of 1911.

In 1898, the revenues from six Collectorates of Likin in the Yangtze Basin were pledged as security for the 4½% £16-000,000 Gold Loan to the extent of Tls 5,000 000 annually and placed under the supervision of the Inspectorate of Customs.

The Native Customs at the Ports

After the Boxer troubles the Native Customs at the Treaty Ports, as has been already mentioned, were put under Maritime Customs, in their capacity as ex-officio members of the Peiho and Hwangpu River Conservancy Boards the Commissioners of Customs at Tientsin and Shanghai have been intimately connected with the important works undertaken on the same lines, are to be seen in the Harbour works at Chefoo, and in the bar and Liao River work at Newchwang

The preparation of exhibits for Exhibitions in various parts of the world, and the Commissions to represent China at them, were part of Customs activities for many years until the time came when a Chinese Ministry could itself undertake such work. Meteorological work, storm-signalling, quarantine, surveying, chart-making, quasi-consular functions and notarial acts for Non-treaty Powers still form part of the miscellanea of Customs work, to which may be added in some small ports police and Municipal functions

The Service issues a number of publications dealing with the statistics of and reports upon trade passing through the Customs and also publishes for Service use books and papers written by members of the Service on various subjects These publications are published by the Statistical Department, Shanghai, and are arranged in the following series.

I Statistical Series.
II Special Series
III Miscellaneous Series
IV. Service Series
V Office Series
VI Inspectorate Series

The Statistical Series, which is the one of chief public interest, comprises the Shanghai Daily Returns, the Customs Quarterly Gazette, the Annual Reports and Returns of Trade (in English and Chinese), and the Decennial Reports

The Statistical Reports

The Statistical, Special, and Miscellaneous Series are available for public use and may be purchased; the other series (office Series "Service List" excepted) are of a confidential nature and are intended for use within the Service. A large number of publications dealing with a variety of questions and including some books of special value have been produced in the course of years A catalogue showing which of them are available for purchase by the public may be obtained from the selling agents for the Statistical Department, Messrs Kelly & Walsh, Ltd , Shanghai

The issue of a comprehensive series of medical reports by Customs surgeons was carried on for many years, until the growth of medical journalism in China rendered Customs cooperation no longer necessary

From 1886 until the final passing of the Koream Customs into Japanese hands in 1905, the Chief Commissioner of Customs in Korea, and the Commissioners and some of the Assistants in the Korean ports were men detached from the Chinese Customs, and much help was given, directly and indirectly, to the Korean Service for many years

In 1887, as a result of the Hongkong Opium Convention, the Kowloon and Lappa Customs—the collection of duties on native shipping trading between Hongkong and Macao and the mainland-were constituted and placed in the hands of the Foreign Customs.

For almost the first 60 years of its existence the Customs Service did not handle the money paid in as revenue The goods were examined, duty assessed, and a "Duty Memo" issued. The merchant paid the amount into the "Customs Bank," an institution entirely under the control of the Commissioner's colleague, the Superintendent of Customs The Bank issued a receipt which was handed into the Customs as proof of payment and there Customs responsibility stopped.

Peking Nervous Over the Spring War

BY J. A J.

UNQUESTIONABLY the Northerners are nervous over that coming offensive The Northern Generals have been running back and forth to see what could be done to stem all efforts on the part of the Southerners to invade the North by way of Shantung All sources of revenue being now almost exhausted, they have invented a new sort of house-tax in Shantung and collectors are now busily engaged in collecting it Each house is measured up and the tax is levied upon the results of the measurement, so that, in all probability, the tax is called "House-measurement Tax" They have queer ways of calling taxes in the North, for example the tax upon opium and opium-smokers is known as the "Opium Suppression Tax" whereas the authorities are in reality *encouraging* the opium trade by ordering farmers in various localities to go out and plant the poppy! Nothing has ever been done by Chang Tsung-chang and Sun Chuan-fang to ameliorate the conditions of the people of Shantung, only empty promises have been made to which the people pay no heed, having long since lost all confidence in the words of the military

Troops Receive Partial Pay

As already said, the Northern Generals are very nervous over that coming offensive from the South In recent weeks, they have made serious efforts to pay a portion of the wages due to the troops It appears that for 11 months, the officers have withheld their men's wages for their own use, and this sort of thing has even been copied by the "White" Russian officers in command of Chang Tsung-chang's "White" Russian troops The Chinese being by nature peaceful, the native troops have so far done nothing radical, but the Slav is by nature truculent and, consequently, the "White" Russians have been disbanded on account of a mutiny or two which they recently staged Most of these men have been sent to Manchuria, and Chang Tsung-chang is now without his Russian troops There is no question but that every effort is now being made to reorganize the Northern soldiery and to give them "pep" by paying them a portion of the wages in arrear, but observers, foreign and Japanese alike, aver that the North has very little if any chance to be able to stem the Southerners' advance.

"Die-hards" have strenuously endeavored to prove that Feng Yu-hsiang's army is in a highly disorganized state, but nothing can be farther from the truth It is an army of which Chang Tsung-chang and Chu Yu-pu have much fear To make matters worse for the Northerners, Generals Chiang Kai-shih, Feng Yu-hsiang and Yen Hsi-shan have now arrived at details as to how to advance against the North The Aukuochun recently announced that Taiyuan could be taken in 20 days but observers recall that it took the Northerners much longer than that to take Chochow, and they did so after a compromise with the enemy general at that! Taking it all in all, the Northerners are in a precarious position, and because they know they are in a precarious position, they are now seriously endeavoring to placate their soldiery by paying them their back wages.

Situation Critical in Manchuria

In the interval, conditions in Manchuria are in a delicate state The currency question is still unsettled, the peasantry are in a dangerous frame of mind, whereas the "Big Swords" are not yet suppressed A large number of men belonging to the Heilungkiang Army have deserted to cast their lot with the "Big Swords" and the bandits, and the countryside is being terrorized Government troops are often defeated when they come in contact with the malcontents and the authorities are in a quandary as to what to do. In Harbin the Chinese authorities are challenging the wrath of the Soviet Government by attempting to force the Harbin dollar upon the Chinese Eastern Railway So far the financial operations of the C E R have been on a gold rouble basis, but the plea is now advanced by the Chinese authorities in North Manchuria that the Chinese Eastern Railway runs through Chinese territory and should, therefore, make use of the Chinese dollar. But the Harbin dollar is not the standard *taiyuan* for it is worth very much less, and it bids fair to become a worthless currency one of these fine days, going the way of the *fengpiao* which ever so long ago bore the semblance of respectability!

Sutton Became a Millionaire

"One-Armed" Sutton, the man who gave the trench mortar to "Old Man" Chang, as the Northern "Dictator" is known to a select circle at Mukden, is now running between Canada and the "Home Country" looking for additional capital with which to develop railway and other enterprises in certain undeveloped sections of Canada "One-Armed" Sutton does not do things by halves—Oh! dear, no! for haven't we his word for it—and, consequently, when the newspapers were full of him as to this or that property he had bought up in Vancouver, we immediately realized something bigger was bound to follow He has since divulged that he has a couple of millions to throw about—beg pardon, *invest*!—personally, but, he says, all this money is not sufficient enough with which to go in for railways and such things, so he is putting up a stiff campaign for additional capital His "go-to-it-iveness" having been so widely advertised, we can only suppose that somebody, somewhere will put up the dough But we are for the present not interested in what "One-Armed" Sutton is doing in Canada and or the "Home Country", what we are trying to find out is just this How much money can a man make in China who has something to give to this or that "Generalissimo" with which to go out and lick creation? We ask this because when "One-Armed" Sutton—the good old Etonian—came to Mukden after a good many close shaves with those dirty Russian Bolsheviks and what not he had just a few dollars to spare—nothing to make much fuss out of, so to speak!—but only after a short while he has become a multi-millionaire It is true there were reports at first that "Old Man" Chang had secretly entrusted him with a million or two for investment abroad, but the Northern "Dictator" or "Generalissimo" has on one or two occasions indignantly denied this, and, we believe, the gallant "One-Armed" General Frank Sutton has also indignantly denied this, maintaining that all he has, has been earned with the sweat of the brow—or is it really with that trench mortar? Any-how, we are back to where we first started out from, namely, *How much*? We are interested because a Greek acquaintance of ours, a cousin of General Pangalos, though very far removed, is on the eve of completing a mortar to out-mortar the trench mortar, and may be one or other of the many valiant Chinese "Generalissimos" would care to give it a trial Of course, this Greek has an advantage over "One-Armed" Sutton, and that is that, should anything become suspicious to people in the Greek "Home Country" concerning Greek activities to bolster up this or that Chinese General, there will be no questions asked in the House of Commons since, at Athens, "there aint none!" Then, there is that other fellow who is now trying to sell the entire Argentine fleet to the Northerners If he could put such a deal through, why, there ought to be another millionaire pretty shortly, but Latin folks go about it very quietly and seldom do any talking. There is also that Portuguese who has almost (though not quite) succeeded in selling an "iron-clad" to the Northern Admiral. It is said to be of 400 feet in length, 54 feet in breadth, and of a draft of 16 feet, 8,000 tons displacement, 24,000 horse-power, and armed with 4 8-inch guns, and 6 6-inchers, 22 knots speed, and if the North ever comes into possession of this sort of boat, why, there would be devil to play with at Woosung, but the Southerners need not lose much sleep over this, for the reason that there isn't any such craft in the whole Portuguese Navy! But we are really getting away from the point again! Now, dear reader, *How much*? It is a pity "One-Armed" Sutton doesn't go into details in such things. All we know is that when he left China, "Old Man" Chang gave him a check for $100,000 as a personal present and that some months before he had won $250,000 out of the Shanghai Champions, so that if he now has a few millions to throw away as he has done in Vancouver and Montreal, why, this war game *must be* a very paying one indeed! We had thought people had exaggerated things a bit when talking of "Sutton's fortune," but now we know for a fact that he is worth a good deal And since he has been so open about it, he should not be surprised, or even indignant, if questions are asked.

Dairen, February 29.

The arrangements for meeting their Loan and Indemnity obligations were made by the Chinese Government through the Shanghai Taotai. (From the time of the Chino-Japanese War on, the loans and indemnities incurred by China in her various troubles were secured on the Foreign Customs Revenue—this regular source of income being invariably fallen back upon in times of difficulty—until the whole collection was mortgaged) In November, 1911, at the time of the Revolution, the revenue in certain provinces which had declared independence was removed from the control of the Central Government In order to protect the interests of the bondholders the Inspector General undertook the custody of those revenues and the responsibility for meeting the charges due on the foreign loans A month later, with a view to facilitating the observance by China of her loan obligations, the Government decided also to place the Customs revenues at all those other ports which still owned allegiance to the Imperial Government in the control of the Inspector General This arrangement, subsequently confirmed by agreement between the Wai Chiao Pu and the Diplomatic Body, has since continued It is in many ways an economy and convenience to the Chinese Government, as well as offering better security in troubled times to the bondholders.

Customs Autonomy Necessary for World Place

BY LU HWA CHING

THAT tariff autonomy is necessary to China as an independent state for her commercial and industrial prosperity, for her political and economic emancipation, for the solution and betterment of the livelihood of her people, and for the strengthening and raising of her international status, is clear to every intelligent Chinese, and to those foreigners who are of a sympathetic and receptive disposition But it is by no means easily comprehensible, even to the well-informed and reflective minds, Chinese and foreign, that Chinese tariff autonomy is necessary and expedient for the preservation of the world peace, and for the political stability and economic advancement of every individual Power The remark may appear paradoxical and it is the object of the writer to devote this article to a general discussion of this seemingly enigmatic point so that it may (1) serve as a lucid explanation to those foreigners who, through ignorance or unconcern, are indifferent to this momentous movement of the Chinese and act as an enlightening advice to those "die-hard" interests who, through misapprehension or malice adopt an antagonistic attitude toward it, and (2) provide some constructive suggestions to those friends of China who are at once sympathetic to the legitimate aspirations of the Chinese people and faithful to the best interests of their own countries It is also the intention of the writer to avail himself of the interest and attention, transient as it may be, which has been stirred up in both Chinese and foreign circles by the recent journey of Mr A H F Edwardes Acting Inspector-General of the Chinese Maritime Customs Administration to Shanghai where he held several interviews with Mr T V Soong, Minister of Finance of the Nanking Government

Agitation Started Decade Ago

The movement for Chinese tariff autonomy had its origin a decade or so ago Various measures have been taken to the stubborn opposition of the Powers The movement, however, instead of being extinguished seems to have been accelerated by successive failures It has reached the stage where the Nanking Government actually announced that the tariff autonomy should begin from Sept 1 1927 Although this strenuous effort had finally to succumb to the gratuitous resistence of foreign merchants especially those in the International Settlement of Shanghai within which China has no jurisdiction, and although the Nanking Government was compelled to postpone the enforcement of the national tariff *sine die* an unprecedented record has been registered in the history of the movement This record is sure to repeat itself in the near future What course will China take in this second and last stride depends largely upon the march of events Whether China will be constrained to employ drastic measures is to be determined by the action or inaction of the Powers An unjustifiable delay of a peaceful negotiation looking to a conclusive and mutually satisfactory solution of this long-outstanding question will invariably aggrandize the trouble in its later settlement and aggravate Sino-foreign relations The Chinese people of to-day is not the Chinese people of twenty or thirty years ago,-not to say those in the time of the Opium War 1840—2 They cannot afford to see their own beloved country under the political and economic domination of outsiders They are not contented with the quasi-colonial state of their homeland in the family of nations Yet, owing to their military inferiority, they can in no way secure international justice Neither individual negotiation nor collective discussion can be looked upon as the proper channel through which they can break and disentangle the political and economic shackle imposed upon them by the foreigners through the corruption and ignorance of the Manchu officials When at last they are deeply convinced that only force can be relied upon to secure justice in interstate relations naturally they will arm themselves ostensibly for self-protection As the pendulum swings unfailingly from one extreme to another, so this militarization may eventually develop into chauvinism Then the most peace-loving people on the globe, constituting practically a quarter of the world's total population, will figure out as narrow-minded chauvinists This would precipitate a second world war with China and all the oppressed nations on one side and all the imperialistic aggressors, both white and red, on the other.

International Rivalries

This, however, is rather a remote danger Besides the fact that it takes a very long time for the Chinese people to undergo a conversion from universal fraternity to national fanaticism, the world's wise and far-sighted politicians, we believe, will not be so imprudent and unscrupulous as to drive the Chinese people to the wall, thus necessitating and justifying this conversion But there is another alternative to be reckoned with and this is the point we want to emphasize Since the suspension of diplomatic relations between the British Empire and the Soviet Russia, the antagonism between these two states has become increasingly acute and a war seems to be imminent The failure of the Geneva Conference has spoiled the friendly relations once existing between the British Empire and the United States of America and brought about a keen competition in the construction of war ships Sooner or later one of these two sister nations will show to the world her physical superiority in order to be the undisputed "Queen of the Seas" Economic and political conflicts have long aggravated the jealousy and hatred of the Japanese toward the United States and it needs only an excuse to bring them into open hostility, an excuse which is otherwise easily reconcilable The suspicions prevailing among France, Germany, and Italy tend further to complicate the present situation To every keen observer a second world war seems to be unavoidable and all interested are now getting ready for it Here comes the opportunity for China. In this forthcoming struggle, the determination of the Chinese people to join or to refuse to join one party, or to be neutral will be decisive of the outcome of the war The moral and material support or censure of so great a nation as China is certain to be preponderating The Chinese people then will be very much different from the Chinese people of to day, not to say those of eleven years ago, when they participated the World War On the one hand, they will have accomplished the unification of the country and set their own house in order. They will have the will and means to fight, if they want On the other hand experience will teach them to be more sophisticated They will not be so easily deceived by high-sounding diplomatic utterances as before It will be recalled that during the World War, the Allies promised that China should exercise tariff autonomy after the War was over on condition that China would join them in the so-called 'fight for right" Accordingly China played her part honorably and although she was unable to send reenforcements to the front, she rendered a no less valuable service to the Allies by supplying an enormous amount of cheap and efficient labor in the rear But what did she get for all this? Instead of fulfilling their promise, the victorious "champions of right" offered our Shantung as a free present to Japan in order to please our avaricious neighbor, and by so doing connived at the validity of the notorious "Twenty-One Demands" Hence mere words will not suffice to ingratiate the Chinese people hereafter

China as a Friend in Need

Any nation which wishes to have China as a reliable friend *in deed* in time of need, must show her sympathy toward the latter in her present struggle for liberty and equality and in her aspiration to adjust the existing unequal relations *not by words but by actions*, and must show it *now*, because the first sympathizer makes the most favorable impression upon the aggrieved Again, it will be too late to show it after the unification of China has become a reality, for then she will automatically announce a general abrogation of all unequal treaties *Now the simplest and cheapest way for the foreigners to show this sympathy is by agreeing unconditionally to Chinese tariff autonomy, whenever it comes into effect* It is the simplest, because it is the easiest It is the cheapest because it affects least This statement has been justified by the fact that Sir Austen Chamberlain, Secretary for Foreign Affairs of the British Empire, in an address to the House of Commons, at its opening session on Feb 8, 1928 declared clearly the willingness and readiness of the British Government to support Chinese tariff autonomy while he used ambiguous words in regard to concessions and extraterritoriality Indeed the rendition of concessions and the abolition of extraterritoriality involve some complex questions which cannot be solved within a very short time. The case of tariff autonomy however is quite different What the Powers have to do is merely to consent and to instruct their own nationals to submit to the national tariff promulgated by the Chinese Government It is true that the deposit of the customs revenue, the repayment of the unsecured foreign loans, and the restoration of the customs administration afford some ground for dispute But these questions are no integral parts of the problem and can therefore be settled separately and at different times As a certain Chinese newspaper editor once said, of all unequal treaties, those that relate to restrictions on the customs should of both political and economic necessity be first abolished and among all customs problems, that of national tariff is the most important and calls for prior settlement The abolition of 'likin" is a knotty question and is not likely to be accomplished in the near future But be it noted that its abolition is *not conditional* to the tariff autonomy It was only a voluntary declaration, at the International Tariff Conference held in Peking 1925-6, on the part of the Chinese Government that "likin" should be abolished simultaneously with the enforcement of the national tariff, which enforcement the Powers agreed should commence from Jan 1, 1929 Though China is morally bound by this declaration, she is ***under no legal obligation*** for its effective carrying out. Quite groundless is that China cannot exercise

tariff autonomy if she does not abolish "likin" (as one British paper in Tientsin through ignorance or licentiousness expressed in one of its editorials). If China actually fails to abolish "likin" on or before Jan. 1, 1929, he merely expresses her regret for the non-fulfillment of her own promise; but this failure is no excuse whatever for the Powers concerned to defer the operation of the decision passed by their own duly appointed and authorized plenipotentiaries. This does not mean, however, that China will not abolish "likin." As a matter of fact, she is more anxious to see its abolition than any foreign state can possibly be, because it is her own subjects who suffer most from the existence of this lucrative taxing machine.

Possible Effects of Controversy

Assuming that Chinese tariff autonomy is to begin at its prefixed date, that is, Jan. 1, 1929, let us see what will be its effect upon the import trade of China, which is what the foreigners concern most. As the imports from the United States of America and Great Britain are largely machinery, piece-goods, and other kinds of manufactures of a higher quality, an increase of customs duties will not appreciably diminish their marketability. It must be borne in mind that China has no intention to adopt a protective tariff. It is not necessary for her, as she has cheap labor and abundant resources. What she wants is only free and square competition. Except on very few special commodities, she will not, we can assure our foreign friends, raise the duties so much as to make the tax no longer a tax, but a prohibition either total or partial. This is especially so before China has recovered completely from the economic wound which has been inflicted upon her for over eighty years by various restrictions on her customs; for, as everybody knows, customs duty is a sort of indirect taxation, and therefore our own consumers are its ultimate bearers. It is the general welfare of the common people rather than the plutocratic interest of the privileged few that should be considered. So no fear should, and can possibly, be entertained that China will take a retaliatory and prohibitive attitude in this connection.

The Position of Japan

The position of Japan, it must be admitted, is comparatively difficult in this respect. As Japanese exports into China are mainly cheap stuffs, a raising of customs duties may considerably lessen their circulating power. But according to the latest investigation, Japan's industrialization has advanced so far that she can now rival with her Western teachers. Again, this difficulty can be remedied by her concluding with China a reciprocal commercial treaty, so as to provide mutually preferential rates for specified commodities and for a specified period. As a matter of fact, by having a differential national tariff, goods that cannot bear a high tax are likely to be those that pay low rates. The Chinese people generally believe in the truism of the co-existence and co-prosperity of China and Japan, although they are not unaware that those who enunciate this principle intend to use it only as a deceitful contrivance to hoodwink the whole world and especially to dupe the Chinese people. The more they believe in this truism, the stronger they insist upon the tariff autonomy, because what brings prosperity and progress to China will indirectly administer to the salvation and advancement of Japan. We, as loyal citizens of the Republic of China, naturally do not wish to see our own country politically and economically oppressed by Japan but with the same spirit we dislike to achieve our own deliverance and survival at the expense of our neighbor. The maintenance of the Far Eastern peace depends upon the cooperation of these two independent nations which are of the same race and language. Of political and economic cooperation the latter is more essential. So it is of paramount importance that the economic barrier of mutual understanding-at the same time the basic hindrance of China's emancipation-should be completely and immediately eradicated. As Japan is seemingly most inclined to oppose the Chinese tariff autonomy whenever it comes into effect, a word of explanation and warning is highly desirable, and it will, we hope, meet with the wise consideration of the Japanese Government and people. The trade with China of France, Italy, and other minor states is relatively small and no separate discussions are necessary here.

Autonomy and Political Stability

The above paragraphs, however, deal with only one phase of the question,-the negative phase. The other aspect of the problem,-the positive aspect-which we are going to discuss, is of still more importance. As the tariff autonomy will bring political stability and economic prosperity to China, it will consequently revive and augment steadily the purchasing power of the Chinese people. At present, it does not need a pessimist to pronounce that China is in internal trouble. She has been suffering from the internecine civil warfare for more than fifteen years. The livelihood of her common people has deteriorated awfully and has actually sunk under the level. All disorders and insecurities have concurred to bring China to the verge of bankruptcy. Of course, to a certain extent, the Chinese themselves, especially the ruling classes, should answer for it. But there is a fundamental cause for all these phenomena and this cause is *economical*. Much of the trouble caused by the mercenary troops in the form of illegal impositions and sometimes looting might have been saved, if sufficient funds could be obtained for financing the soldiers, or if the means could be acquired for the development of industries, which would unquestionably lessen the number of unemployed. Most of the bandits are soldiers who have not been regularly paid. These soldiers have had so poor a living that they can only obtain the rudest sort of subsistence in time of war as well as in time of peace. Imagine the case where a man risks his very life for almost nothing. Yet, there are still hundreds of thousands who cannot get a living except by so doing. Give the common people a way to live and automatic disbandment of troops will follow. With the lessening of soldiers our ambitious and selfish leaders will be deprived of their weapons for the realization of their personal dreams. As a by-product of this disbandment, the disappearance of robbers throughout the country will ensue. As one of the most puzzling and important problems which China is facing to-day is that of civil war and brigand, the disbandment of troops means the end of internal strife, which is really at the root of all troubles. Unification will undoubtedly bring once more a lasting peace to our beloved country.

Economic Prosperity

Political stability is invariably followed by economic prosperity. A casual thinker may conceive that an autonomial tariff will destroy the Chinese market for foreign goods by raising their prices, as fewer people will be able to buy them. This is true if we take only a very short period-say a fortnight or a month-into consideration. But with the coming of economic immunity, which has not been enjoyed by China ever since the conclusion of the Nanking Treaty in 1843 and which is to be recovered by herself by means of the tariff autonomy, the sturdy, intelligent, painstaking, and hard-working Chinese people can with ease develop their natural resources. A man may enrich himself and at the same time the society of which he is a member. What is true of an individual is also true of a nation. While promoting her own economic welfare, the Chinese people really advances in the same breath the well-being of the world. The value of a thing is what it will fetch. If China had nothing to exchange for the manufactures of other countries, which is likely to be the case if the present state of things is allowed to continue for another decade, those nations, which should depend upon China for the supply of raw materials and the demand of their products, would find themselves as much mistaken as the Horse Soldier in Aesop's Fable, who expected his charger to serve him on the battlefield in time of war but who gave it scarcely enough chaff to secure its existence, not to say its soundness, before the second war actually took place. The transformation from a "Horse" into an "Ass" was discovered when war broke out again. But the miserable plight of China's economy is evident even now. For the first time during the last sixty three years, China had an excess of exports over imports in 1927, amounting approximately to Hk. Taels 18,000,000. This was due, not to the increase of exports, but to the decrease of imports, which clearly shows the decline of the purchasing power of the Chinese people. If nothing is to be done, China will be ruined before it is too late for readjustment. But if anything is to be done to prevent her probable ruin, tariff autonomy, as we said before, is by all odds the simplest and cheapest way.

We have gone so far that the conclusion can safely be drawn that if we want a peaceful and prosperous China so that she can at once be the largest comsuming market of the Powers to maintain the world peace, we must first of all solve the core of all her economic problems. Herein lies the necessity and expediency of the Chinese tariff autonomy, because it is *the easiest and most effective way* of achieving this purpose. By granting tariff autonomy by the Powers to China which in return formulates and maintains a *reasonable, uniform, undiscriminative, and differential tariff, both parties will be enormously benefited.*

Shanghai March 2, 1928.

Shanghai Returns to State of Normalcy

The so-called "State of Emergency" which has prevailed in Shanghai since March 21, 1927, has been cancelled and the city has returned to a "State of Normalcy," according to a municipal notice published last week which read as follows:

PROCLAMATION

Cessation of State of Emergency.

Notice is hereby given that the State of Emergency proclaimed on March 21, 1927, is cancelled.

By order,
S. M. Edwards,
Secretary.

Council Chamber,
Shanghai, March 1, 1928.

China a Land of World's Greatest Paradoxes

This report from the Boston Transcript deals with the fourth of the Lowell Lectures on China which were delivered recently in Boston by Dr. Stanley K. Hornbeck. Reports of the three preceding lectures have appeared in previous numbers of The Review:

CHINA was referred to as "the land of the world's greatest paradoxes" by Dr. Stanley K. Hornbeck of Harvard University last evening in his fourth lecture of the course given twice weekly at the Lowell Institute. The topic was "China's Rebellions and Reform Movements."

"China, with its paradoxes, even compels observers to be paradoxical in their thought of it," the lecturer stated. "Studying its history, we traverse a long chronicle of disturbances. violence, brigandage, piracy, revolts, rebellions, revolutions, wars. Yet we think, of China as a peaceful State and the Chinese as a peace-loving people. Our difficulty arises from the fact that we fail to grasp the length of the historical record, the size of the country, the numbers and variety of the people that we are contemplating."

With that introduction, the speaker proceeded to analyze the character and characteristics of the people. First, there was consideration of the tremendous population in its moral and physical causes. In this endowment, the population illustrates to the nth degree the principle of the survival of the fittest. It exhibits astonishing capacity to endure hardships, privation, discomfort and pain. Disease, famines, infanticide and wars have tended to keep down the population, but inherited virility, industriousness and adaptability have more than offset those factors.

Chinese Slow to Anger

"The Chinese have been called, sometimes with intended appreciation, sometimes with the opposite intent, a childlike race," the speaker said. "They are much given to laughter; they have a great sense of humor; their songs are songs of contentmant, most of them in a minor key. They have flowers and birds; they get on well with their draft animals; in the mass, they are a simple people

"The Chinese are not unemotional. They are slow to anger. They have remarkable self-control in some situations, but they have tempers and can display unbridled and utterly destructive wrath. Patient in many relationships, when they become impatient, no race is more so."

"Toward philanthropy and altruism they show little inclination. Of sentimentality they cannot be accused. The struggle for existence is keen among them and there is little consideration for the weak and the comparatively unfit. It is horribly true that they show themselves capable of perpetrating, with no show of feeling, the greatest cruelties.

"Their callousness to suffering, whether physical or mental, suggests that they retain the mediaeval frame of mind. A recent writer has characterized the excesses of the Taiping rebellion as counterparts to the spirit of the Spanish Inquisition, and the massacre of St. Bartholomew's Day,"

As to the mentality of the nation, Dr. Hornbeck maintained that by a true test in terms of past achievement and present collective manifestation, the Chinese mind appears extraordinarily keen in some directions and comparatively dull in others. In the ordinary routine of life, the business of living and making a "living," they display much common sense and extraordinary shrewdness. In a financial transaction the Chinese coolie is hard to beat; the Chinese merchant is unbeatable; the Chinese official can be beaten only by another Chinese official.

When Robbers Appear

Dr. Hornbeck spoke of the Chinese as strikingly subject to "mass compulsion," yet as being utterly individualistic. Whether they are peace-loving or not, the "majority feel that fighting does not pay. When, as now, economic conditions are bad, there is much unemployment. Millions live on the ragged edge of starvation, and among these it is easy to recruit robber rebel bands. In the course of time such bands become armies."

It was worthy of note, however, that in all her history up to 1911 China had known but two revolutions; rebellions, numberless; reforms, a tremendous number.

"In China, the man who has just been rendered homeless by a flood or an earthquake, turns robber, the man who has been wronged by the Government becomes a rebel; robbers become bandits. Given enough bandits, robbers, rebels, forward comes leadership, and there develops rebellion.

"It is easy to spread propaganda among a superstitious, credulous, uneducated populace, and, as has been remarked. the Chinese are a people decidedly subject to mass appeal."

Dr. Hornbeck declared that successful rebellions have always accomplished some good. They have made more room, with greater economic opportunity, for those surviving; they have brought to power new blood, and there have followed periods of reform, at least of improvement in administration. In the machinery of government there have been few changes.

Tracing the history of a few of the rebellions, of the two revolutions and of the reforms, or attempts at reform, which have attended them, Dr. Hornbeck announced that the revolution of the present generation will be the subject of the next lecture, and the greatest of the reform movements, the Nationalist movement, in the throes of which, the Chinese nation is struggling today, will be the subject of the sixth lecture.

Feudal Confederation First

The first recorded successful rebellion in China, in 1766 B. C., was by influence of a prince from Shang, who overthrew the last of the Hsia dynasty. In five centuries the Shang dynasty degenerated, and came Wu Wang who created, in place of the old system of communal ownership, a feudal confederation of petty states. Wu's brother inaugurated reforms in administration which laid the foundations of a system which prevailed through nine hundred years—a benevolent monarchy organized on feudal lines.

Tsiu Shih Huang-ti gave China her second revolution, destroying the feudal system and setting up a single, central, autocratic authority, and giving China a new constitutional basis—that of an imperial autocracy. The Han dynasty, was followed by four centuries of political chaos until Tang emerged. Under the Tangs, the State civil service examination system was perfected, a census was taken, the system of taxation reorganized and budgets established.

In the Sung dynasty came Wang An-shih's attempt to establish a system of State Socialism, Communism. The burden of defense was to be borne by all, and in this Wang established the precedent for the effort to organize militia eight hundred years later which led to the misdirected effort in the Boxer movement of 1900. "Wang made the error of many reformers," Dr. Hornbeck observed, "in trying to change everything at once."

The Yuan rulers were aliens and the revolt which overthrew them was in part like that which later overthrew the Manchus. The Mings reorganized the State examinations and the administrative system of the provinces. The Manchus saw revolts or rebellions in one part or another in the empire, greatest of which was the Taiping rebellion, in which Frederick Townsend Ward of Salem achieved a brilliant career. While east and central China were thus afflicted, two other great rebellions were in progress, north and south.

Difficulty Over Treaties

Dr. Hornbeck, in treating of the opening of the doors of China and Japan to the West at approximately the same time (1842 and 1854) spoke of the difficulties over treaties. In 1899 treaties were written between Japan and the Powers, but up to the present no such pacts have been concluded between China and the Powers. Why this great difference? the speaker asked.

"Briefly put, Japan entered promptly upon an exclusive and intensive program of reform, and carried it through. China reluctantly and slowly decided to adopt certain of the administrative methods and mechanical contrivances of the West, but for forty years declined even to consider legal reform or to study the social and economic phenomena of Occidental life. Not till 1902 did China begin what Japan began in 1872. By that time China was discredited as a Power and demoralized as a State."

Dr. Hornbeck remarked that his comparative survey should not be looked upon as implying condemnation of China. The problem of reform in China is infinitely more difficult than was the problem in Japan. Japan still had a feudal-organization and the area and number of people to be dealt with were many times less than those of China. The Japanese Government was able to exercise autocratic authority. In China, the nation declines to take orders, it has to be persuaded.

A review of the period of the scramble for concessions in China brought Dr. Hornbeck's story to the Boxer rebellion and the settlement of 1901, in which the Powers were forcing China to agree to reform. As the decision of the Empress Dowager in November, 1899, to resist all further foreign aggression, marked the end of a period, so the return of the Court to Peking in January, 1902, marked the beginning of a new era.

Reform Movement in 1910

"The Empress Dowager had 'eaten bitterness': she had learned that China was hopelessly weak and the Western nations powerful. She decided that henceforth she would combat foreign influence by accepting it. She was ready to

profit by the instruction and she hoped to learn how to employ the methods of the West."

Edicts were issued for numerous reforms. In 1905 a commission was sent abroad to study western institutions and methods of Government, and as a consequence of the report the Empress Dowager promised a constitution In 1908 the Empress Dowager and the Emperor died and the throne passed to a baby nephew, with his father as regent. The national assembly met for the first time in 1910, assuming for itself legislative authority and calling for a cabinet. The cabinet was appointed, but the people knew they were given but the form. Opposition to the government crystallized.

"In the rebellion of 1911," said Dr. Hornbeck, "there was present for the first time, among the factors which led to the overthrow of a dynasty, the elements of Occidental influence and Occidental pressure. Rebellions China had before, but never one which at the same time overthrew a dynasty, declared against the principle of monarchy, and undertook to establish a republican form of government.

Trade Inquiries

The following trade inquiries have been received at the office of the U. S. Trade Commissioner. Further information regarding them may be had on application at the office of the U. S. Trade Commissioner in the Dollar Building 3 Canton Road Shanghai.

1. Boots and Patches.—Also Polishing Sets: Manufacturer of boots and patches for auto tires, and polishing mitts for motor cars, pianos, etc., would like to secure a representative in China.

2. Throat Wafers: Distributors of bronchial throat wafers are anxious to get into touch with someone to act as their agent for the sale of these wafers.

3. Fountain Pens: A New York firm of distributors is desirous of securing a representative in Shanghai for the sale of their fountain pens.

4. Electric Cookers and other Electrical Equipment: Manufacturers of a line of electric cooking devices would like to establish an agency in Shanghai.

5. Mirrors and Pictures: A firm dealing in mirrors and framed pictures (reproductions of masterpieces), is anxious to secure an agent in China.

6. Household Brushes, Mops and Dusters: Manufacturers of household brushes, mops and dusters are seeking an agent in Shanghai for the sale of their products.

7. Loose Leaf Rings and Loose Leaf Metals: A firm manufacturing loose leaf rings and loose leaf metals would like to place these products on the China market.

8. Paper: A New York firm, dealing in printing, writing, bond, book and newsprint papers would like to secure an agent here.

9. Road Making Equipment: Manufacturers of spring scrapers and alloy steel blades would like to place these articles on the China market.

10. Electrical Appliances: A firm manufacturing violet ray instruments, therapeutic lamps, curling iron heaters, hair dryers, etc., is anxious to enter the China market.

11. Tone Arm Apparatus for Victrolas: An American manufacturer of phonograph and radio equipment has recently perfected a special tone arm apparatus for Victrolas, claiming that it produces orthophonic tones.

12. Pistons, Piston Pin and Screws: A Chicago firm dealing in pistons, piston pins and screws, which are used for replacement in many of the American motor cars, wishes to secure an agent in China.

13. Machinery: A New York firm of export representatives would like to secure agents in China to handle their line of machine tools, foundry equipment, pulleys, aluminum and bronze castings, etc.

14. Furs: A New York Company is desirous of establishing connections with a responsible exporter of raw and dressed furs from Shanghai as well as from Tientsin.

15. Testing Service: An American firm is in a position to inspect materials and packing for foreign buyers in the United States.

16. Mercerized Yarns: A producer of mercerized yarns made from cotton for use in the manufacture of hosiery and underwear desires to find qualified agents in China.

A representative of the Link-Belt Company expects to be in China within the next few weeks and is interested in making agency connections while here. The Link-Belt equipment for sugar factories is well known. Firms interested in such an agency are requested to Communicate with the office of the American Trade Commissioner in order that interviews may be arranged upon the arrival of this representative.

44-054

Political China Today

BY SIR FREDERICK WHYTE

(Reprinted from the London Times)

I.—The Three Revolutions

IN modern China nationalism covers all the manifold phenomena of a complex and protracted revolution; but the term itself is more convenient than accurate. It has associations with European history which clothe it with special significance, but which are lacking to its Chinese counterpart. What is called the nationalist movement is the manifestation in China of a world-wide movement, projected long before the war but greatly accelerated by the war which is now universal in Asia. It is an awakening to political consciousness: and in China it is still a condition rather than an organized movement; a state of active life without developed organs; a spirit, unembodied, of which the power it visibly exercises is the only definite manifestation which can be attributed to it. There has not yet arisen any person or organization which can play the part of the national patriot as it has been played in Italy, in Poland, in Ireland, or even in India. There does not seem to be the human material from which to create a Garibaldi or a Gandhi, still less a Cavour or a Lincoln. With the sole exception of Sun Yat-sen—himself no very sure saviour of his country—no one has arisen to claim the empty throne of national leadership.

A Herd with no Leader

In political organization also there is the same incoherence and the same poverty. Thus Kuomintang and Communism alike denote conditions, not principles; tendencies, not parties; undefined purposes, not programs. Even Kuomintang, with all its slogans and its semblance of party organization, is not to be regarded as a "party" in the sense in which the word is applicable to the Republican Party in the United States or even the Swaraji Party in India. It possesses neither the body of doctrine, nor the defined program, nor the discipline, least of all the leadership, which distinguishes a party from a herd. Chinese nationalism is in fact a herd, following no leader, but obeying instincts which are more than animal, if less than spiritual; and the herd and the instincts alike are more vital and rampageous than ever before, Here lies whatever novelty there is in the China of to-day.

Three Revolutions

Now the novelty in all this, which "the old China hands" fail to perceive, is that three revolutions have occurred simultaneously. There is a renaissance in China, comparable to the awakening of the European mind which is known by the same name; there is an economic revolution like ours of a century ago; and there is the political revolution which gave birth to the "Republic of China." The political revolution is the most evident and audible, because it has come to the surface of Chinese life more rapidly and disturbingly than the others, and has thus given the old problem of China's foreign relations a new urgency, besides creating huge problems in her domestic economy. This revolution is not in itself new, but derives its novelty from the character of the other two which accompany and influence it. There had been revolutions and fallen emperors before 1911, but Sun Yat-sen was the first Chinese rebel to hoist a Republican flag; and we must take this new Chinese flag as the symbol not merely of political change, but of a far-reaching revolution in economics, in customs, in ethics, and thought. The Chinese themselves speak of their Twentieth Century Renaissance, in which the Old Learning is reinterpreted (where it is not actually in conflict with the New) as "The New Tide"; and wherever you go among Chinese not completely immersed in politics it is of this new flood of culture that you will hear.

Western Origin

To this revolution in the mind of China we may point, as much as to Canton boycotts, student processions, or labor unions, for proof that the new China, so derided by those who "know China," is in being. It has taken nearly a century of contact with the West to prove to the Chinese that Europe was a force to be reckoned with—not only in material power, but in the world of thought; and no small part of this revolution in the mind of China is due to the discovery that the Middle Kingdom is not the centre of the universe, that the Barbarians of the Outer Lands (one of the Chinese names for us is "outsiders"!) have a civilization of their own greater in material power than, and as great in philosophical idea as, any in China. If we may generalize about the present Chinese situation, we may say that the novelty in this revolution, as compared with dynastic changes in the past, is its Western origin.

Were the estimate to stop there it would not suffice to explain (or even to describe) the present political condition of China; for the spectacle before our eyes is something more than a herd on the move. The term "herd" is used both to avoid misleading analogies drawn from more highly developed

political lands and to suggest the momentum of a mass movement driven by forces which the mass itself obeys but cannot comprehend. Once used for that purpose it may be discarded as we pass to the more difficult task of estimating the nature of the uncomprehended forces whose action and reaction are making the new China.

History Repeated

The fall of the Manchu Dynasty—so ironically called "Immaculate"—was no new phenomenon in China. Dynasties had arisen and fallen many times in the long history of the land of Sinim, and each dynastic change had been made not by one swift exchange of a name and a *regime*, but in a long period of chaos closely resembling the disorder of China to-day. History thus seems to be repeating herself now, and those who declare that there is nothing new in the pandemonium of to-day can justify their opinion by what is called a "knowledge of China." None the less, the diagnosis is invalid because it fails to explain certain facts which are new. Hitherto a dynasty fell because it had exhausted the Mandate of Heaven, and a new Son of Heaven received his new mandate. To-day the belief in heaven, in the mandate, and in the sonship alike, has fallen into decay, and no new sanction has yet been created from which a Chinese government can derive its authority. The old tradition of government in China has not survived the onset of western influences, and no new tradition has effectively taken its place.

One result of western influence has been to familiarize the educated Chinese mind with the idea of the state, in the political conception known to Europeans. Comparing the states of Europe with China, the modern Chinese found that the despised barbarian had created an instrument of government which gave him power, while his own condition was that of a civilization without power. It was no long step from this discovery to its logical consequence that, for China, a status of equality with the powers of the world required the creation of a Chinese state as the expression and the instrument of Chinese sovereignty.

Change Has Begun

Having destroyed the loose fabric of the Chinese Empire, having resolved that there should be no restoration of that empire, nor any monarchy in whatsoever form, the Chinese find themselves confronted with a problem in social and political reconstruction of uncommon magnitude. It would require an unusual sense of national unity, and an all-pervading patriotism as its foundation, before success could be assured; and in China there is neither unity nor conscious patriotism. That we are witnessing the birth of a national spirit is certainly true, but it has not yet had time to pervade the country. Four hundred million people cannot be born again in a night; and when they occupy a land as large as the United States of America, without roads, and with but 7,000 miles of railways where the U. S. A. possesses 250,000, the task of uniting 22 quasi-autonomous provinces in one allegiance is formidable.

None the less, the process has begun. It is obscured by events which, taken by themselves, seem to deny its very existence; but beneath the chaos of to-day there is some promise of order in a distant to-morrow.

II.—A Halting Progress

In Sun Yat-sen's program of Chinese reconstruction there was a time-table showing three stages (not to be confused with the "Three Principles") through which the revolution must pass:—

I. Militarism, during which civil war would be the inevitable result of the Manchu downfall. For some years the forces of the New China would have to fight the Old, but when that stage was complete and the militarists were subjugated, China would pass to the second stage—namely,

2. Tutelage, a stage of adolescence in which a Soviet of the Intelligentsia would guide the infant feet of Chinese democracy along the paths of political growth, thus training the people for the duties of the third and final stage of

3. Constitutionalism, when 20th-century China would take her place as an equal among equals with the other nations of the world, equipped with all the instruments of government of a modern state.

Such was the dream of the visionary before whose portrait the zealots of the Kuomintang bow three times, as before the simulacrum of a saint. It was no mean conception, and in the hands of able patriots it might have become a reality. It has not yet been realized, and the omens are not favourable; but it still remains the only plan which commands any large measure of assent, and therefore it must be taken as the standard by which to judge the political progress of Sun Yat-sen's successors.

If you ask the Kuomintang leaders in Canton, Shanghai, Nanking, or Hankow whether they accept this plan and, if accepted, whether they can say that the revolution has reached a definite point in the time-table, they will agree in accepting the programme, but they will not agree in their varying estimates of the stage which the movement has now reached. Some will say that the period of "militarism" is over, and will point to the Nanking government as the tutor who now guides China through the stage of "tutelage." Others, more aware of reality, will express the hope that the militarist stage is nearing its end, but will point with apprehension to Hankow and Canton—not to speak of the benighted North—as regions where the petty Caesarism of the tuchuns still prevails. Even in Nanking itself, where there is evidence of political organization, the authority of the government is a shadowy thing maintaining an embarrassed existence in the midst of civil war.

Facts in Perspective

Where the Chinese, in their moments of private candour, hesitate to dogmatize and refuse to prophesy, the foreign observer may well despair to understand. But the foreigner has one advantage, for he sees the Chinese pandemonium in the perspective of distance, and what he sees he may as well describe.

Taking as the landmarks of this perspective the Canton situation of 1925 and the Yangtze situation of 1927, he observes several facts quite clearly, as well as a general tendency which is not so clear. The facts are well known; the Canton boycott, the Communist terror in Changsha, the capture of Wuhan, the British evacuation of Hankow, March 24 at Nanking, and so on; the events are chosen almost at random and can be multiplied into a long list. Their significance is variously interpreted but there is a large measure of agreement on certain conclusions namely that the Chinese revolution entered upon a new and more violent phase about three years ago; that the first fruits were seen in Canton in 1925, the Shameen incident, May 30 in Shanghai, June 11 in Hankow, and so on; that the new impetus came largely from Russian sources and gave the movement an impulsion in two directions —(*a*) anti-foreign, and especially anti-British; (*b*) anti-militarist in Chinese domestic politics; that the extreme violence of this phase has begun to spend itself; and that probably the winter of 1927-28 will be the prelude to a new phase. For the present we may leave an examination of the reasons for this belief, and retrace our steps to the moment when the South set out from Canton, bearing the crossed flags of the Kuomintang and the Sickle and Hammer, to conquer the North.

The Unexpected Advance

At that moment the northern war lords, Chang Tso-lin, Wu Pei-fu, Sun Chuan-fang, Chang Tsung-chang and Feng Yu-hsiang, controlled or quarrelled over the Yangtze Valley as well as North China. Neither they nor any but a few foreign observers paid any heed to Canton, except as a cauldron of Bolshevism and strikes from which noisome gases escaped from time to time. The North, in fact, did not consider the South as even a possible rival for control of the rich Yangtze basin.

All through 1925, while the southern campaign was maturing in the brains of Borodin, Galen, and others in Canton, the five tuchuns named above were performing the customary comedy of changing sides and "letting your partner down," with the wealth of Shanghai and the Wuhan cities, not to mention Peking, as the chief prizes in the game. Within six months Canton, to the surprise and dismay of its contemptuous northern enemies, had changed the map of China. The movement began early in 1926. The first successes appeared insignificant; and, in spite of disquieting evidence of the spread of Cantonese influence through Fukien, Kiangsi, and southern Hunan, Shanghai and the tuchuns still said, "The South can't get to the Yangtze." A rude awakening followed. Changsha fell in July, Yochow in August, Hankow and Hanyang in September, Wuchang in October, Nanchang a week later, and Kiukiang in November. By the end of 1926 the South held a front of 300 miles on the Yangtze and has never lost it.

North and South

It will be said at this point by those who "know" China that there is nothing to choose between North and South, that they are birds of a feather, with appetites and no principles, feeding on carrion. There is truth in the retort. Tang Sheng-chih is as much a marauding adventurer as Chang Tsung-chang. There are men in the Nanking government as crooked as any to be found in China. Peasant and laborer and merchant, all have found the South no whit behind the North in bloodsucking; and after a full taste of "Nationalist government" last summer, the wealthy Chinese in Shanghai were praying for the return of Sun Chuan-fang!

Yet there is a difference. Chang Tso-lin is only serving Chang Tso-lin, and there is no northern tuchun—even a comparatively good one like Sun Chuan-fang is no real exception —who serves any purpose beyond the fleeting satisfactions of money, opium, or sexual appetite. Some have an occasional glimpse of a higher destiny and some do good in spite of

themselves; but it is impossible to detect behind them the force of a new purpose which is unmistakably the power behind the South. Unworthy as most of the soldiers and politicians of the nationalist armies and governments are, shameless as has been their open corruption, there is no denying that they represent a cause greater than themselves, which is the hope, and the only hope now visible for the future of China.

Driven to Think

Where does the southern movement now stand? The omens are none too favourable. A momentum, largely imparted from without but coming also from native Chinese sources—which, be it noted, had been tapped for political purposes before Lenin ruled in Moscow—carried the Cantonese nationalists to the Yangtze before they were ready to take charge of the responsibilities thus thrust upon them by a premature success. The government of Eugene Chen was a flash in the pan because it was not Chinese. The public opinion of the Yangtze Valley turned against Chinese Communism because it was not Chinese. The Shanghai defence force and still more the guns of H.M.S. *Emerald*, at Nanking on March 24, showed that there was a point beyond which even a friendly—one might almost say a repentant—treaty power could not be forced to retreat. And all these things cumulatively drove the thinking Chinese to think.

The first result of the changing temper of nationalism was the formation of the Nanking government in April, which has never lived up to its promise. Probably it was formed too early, while the incubus of the Russian legacy in Hankow was still too heavy; possibly it has suffered through a too hasty attempt by the treaty powers to fasten upon it the full responsibility for March 24, which does not belong to it; certainly it has destroyed its own chances by the terrific exactions of its irregular finance, by the monstrous methods of its anti-communism, and by its foolish endeavor to hamper the operation of its one sure source of revenue, the maritime customs.

Six months ago the Chinese mercantile community in Shanghai was "nationalist" to a man. To-day, as an old merchant recently said, "Shanghai is the Noah's Ark in the Deluge"; it is their only refuge from the wrath without, and from it they watch the process "of drying up the Yangtze to catch the fish." The movement has suffered a set-back; but the record of 1927 is, none the less, one of the continued growth of Chinese Nationalism in spite of the crimes and the blunders of the Nationalists.

III.—The Territory of Nationalism

Last October Dr. C. C. Wu, foreign minister of the Nanking government, addressed a protest to the Japanese minister in Peking against alleged Japanese designs in Manchuria, and justified his claim to speak for China because "the nationalist flag now flies over sixteen provinces." This was propaganda, but for our present purpose it was something more. Dr. Wu did not claim that the Nanking government ruled two-thirds of China (though he does claim one-half), but he meant that, outside Manchuria, Chihli and Shantung, all China accepts the Kuomintang creed. That is much nearer the truth than is commonly believed; and only the political inexperience of the Chinese people and the ineptitude of the nationalists themselves prevent it from finding expression in a government which can represent the whole body of the new movement.

The territory of Nationalism is thus a very wide area, stretching from Canton to Shansi and from Chengtu to Shanghai; but this is far more extensive than the area over which any government or tuchun exercises authority. The Nanking government, as we have seen, claims to control nine provinces, but the fact is that its writ hardly runs effectively through two. Chang Tso-lin controls the largest single area, for he holds Manchuria *plus* Peking—*i.e.*, practically the whole non-Kuomintang region; but even he has well-nigh shot his bolt, and the propaganda of the South is undermining him.

Lost but not Won

Indeed propaganda is the most important of all munitions of war in China, and accounts for a great part of the swift extension of Kuomintang influence from Canton northwards; and the too facile success of some of the propaganda accounts for the failure to consolidate the position won. The truth is that propaganda does not win any position: it merely undermines the original holder and creates such a condition in any given area as make it difficult for the newcomer to consolidate at all. In a word, the position is lost but not won! That is the real significance of the Kuomintang success and failure.

Russia's Work

Whence, then, came the original success? The answer is obvious, so obvious indeed that many intelligent observers think that it sums up the whole Chinese problem—Russia. Without Russian assistance Canton would not be on the Yangtze to-day. That is plainly written on the history of the past two years; but it does not justify the further conclusion, too often drawn by those who ought to know better, that Russia made Canton.

Moscow is not the spiritual home of the Kuomintang, nor is the political awakening in China a mere manifestation of Bolshevism. The original parents—or shall we say the putative?—of Chinese Nationalism are to be found among the prophets of liberation in western Europe and not among the dictators of the proletariat. But when Sun Yat-sen sought assistance from the liberal nations of Europe he received no response, and thus fell into the arms of Russia.

In January, 1923, he and Joffe, the head of the Soviet mission, met in Shanghai and issued a joint manifesto; which linked the fortunes of the Chinese revolution with those of Moscow and gave the Bolshevists a foothold in the Kuomintang. Russian agents, instructors, commissars were sent from Moscow to create a communist machine, to train the nationalist army and to organize propaganda. The Chinese Communist Party came into being and was used to permeate the Kuomintang with the influence and the ideas of Russian Communism. In discipline, in organization, and in zeal this party excelled any other Chinese organization, and thus grew in power, and as long as its, energies seemed to be devoted to the Chinese purposes of the Kuomintang its help was as welcome as it was indispensable.

But there came a time when—as Chiang Kai-shek had probably foreseen—the communists showed that they were working for the Russian purpose of the world revolution and cared nothing for the interest of the Chinese. From that moment the alliance between Moscow and Canton was undermined; the Communist Party was driven out of its vantage points, and the main body of the Kuomintang sought to recover control of the nationalist movement.

Recovery Not Complete

This recovery is not by any means complete. The Communist Party is still a threatening power, though on the defensive; and the subversive forces let loose among the Chinese proletariat, both in town and in country, are still out of control. The Kuomintang, with their political child the Nanking government, stand in a critical position, having expelled the Russian organizers of their own success and being compelled to face the devastating results of the Russian propagandist method in the rank and file of the Chinese people, soldiers and civilians alike. They are divided into groups which dissolve and re-assemble under the pressure of circumstances, and without the driving force and organizing power of the Russians they will find their further progress retarded.

A Change of Opinion

What Chinese Nationlism, therefore, owes to Russia is the lesson of organization. It owes none of its original inspiration and very little in the development of the revolutionary idea to Russian sources; but for three years it has owed almost everything to the military discipline, the party organization and the engineered propaganda which Russian agents were able to supply.

There is no saying what the effect of the removal of the Russians will be, for, while it is evident that the Chinese now understand the forms of party organization and are adepts at propaganda, it is equally certain that they are not political adults and will require constructive aid for the achievement of their purpose. The question arises Does the ebb of Russian influence mean that the tide is turning in favor of some other nation? If so, which?

There are signs that the force of the anti-British movement is nearly spent, and throughout the past autumn a change for the better set in slowly. The *Shih-shih Pao* (*China Times*, of Shanghai) said on September 15 that it was time that the Chinese people revised their opinions of the different powers. Japan in Manchuria and Russia in Mongolia were acting in a way much "worse than Great Britain's insistence on treaty rights." Britain had always sympathized with national aspirations and China ought to recognize her desire to be friendly. Finally, "the weakness of China lies in some cause other than the unequal treaties." About the same time two other Chinese newspapers which had excluded British advertisements from their columns since May 30, 1925, reopened them to British advertisers. On the surface the anti-British movement is still strong, but underneath a change is in process towards bettler reations.

It would seem as though we were approaching the providential moment for a *raprochement* with the Chinese after our long estrangement. The Chinese are beginning to recognize the merits of Sir Austen Chamberlain's policy, and though they have not openly accepted British good faith, and still profess to think that the next move must come from London, they are not disposed to be intransigent. Most of them know that the time is not ripe for full treaty revision,

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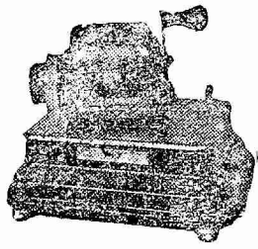

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and bitter experience is slowly teaching them that the enemies of China are in her own household.

IV.—The Dilemma of British Policy

It was suggested in the third article of this series that the moment of a Sino-British *rapprochement* might be approaching. The change in the Chinese atmosphere which followed the decline of Russian influence is an undoubted fact and removes one of the psychological obstacles to a better understanding. Whether this change represents a permanent improvement, and whether it can be taken as the signal for definite action by the British government, are questions to which none but an optimist will expect a quick and favorable answer, China does not encourage optimism; and, with the best will in the world, we can be no more than "meliorists," in the sense that we hope and believe that things are getting better. Even that attitude is optimistic!

The situation demands something more than correct diplomacy. The British government has already recognized that it is unusual and has acted in a manner not usual in the intercourse between established governments. Now, assuming that the Chinese atmosphere has improved, can the government proceed farther along the line laid down when the foreign secretary said that he would "endeavor to maintain harmonious relations with China without waiting for or insisting on the prior establishment of a strong central government" (Memorandum of December 18, 1926), and that "we must try to negotiate this change (*i. e.*, treaty revision) with the contending governments even in the midst of civil war" (speech at Birmingham January 29, 1927)? A year has passed since the December memorandum was handed to the treaty powers in Peking, and we possess some material for an answer to the question.

The Practical Problem

First of all, what does the phrase "contending governments" actually mean in Peking, Nanking, or elsewhere? Seven months ago there were three Chinese governments—Peking, Nanking and Hankow; and, in addition, there were the usual number of *quasi*-independent war lords, now supporting, now attacking each of the three "governments" in turn. Today there are only two, with perhaps "a shadowy third"; which roughly represents the division of the country between North and South or, if you choose, between Old and New China. Neither is a government in the accepted sense, and neither can draw a line on the map and say, "Here our authority begins and ends." Therefore, when a question is raised concerning the applicability of a particular code of law, even if the prior question whether the code has been duly promulgated (and by whom) can be settled, it is impossible to discover where responsibility lies or ought to lie for its administration in any part of the country within the large area of civil war. A brief account of the Chamberlain Seven-Point Program will show, better than any hypothetical case, what can be done and what cannot.

The Seven Points

The treaty revision offer of January 27, 1927, was made in a memorandum of seven points, handed simultaneously to Mr. Eugene Chen, foreign minister of the Hankow (or Southern) government, and to Dr. Wellington Koo, foreign minister of the Peking (or Northern) government. On all seven points there has been more discussion and negotiation in Peking than in Hankow or in Nanking. There was a kind of continuity in Peking and a comparative freedom from, upheaval which made progress easier than on the Yangtze; but even so, the progress made here has not been great. In Hankow, on the other hand, after the signature of the Chen-O'Malley Agreement (February-March 1927), when the British minister invited the "nationalists to discuss the seven points, Mr. Chen refused, on the ground that the time was not ripe and the moment inopportune. Within six weeks the sixth army on March 24 rendered relations impossible by the looting of the foreign quarter and the murder of foreigners in Nanking.

The fate of the seven points is as follows:

1. Recognition of modern Chinese courts (British plaintiffs.—In operation.

2. Recognition of Chinese nationality law.—No result, mainly because the question has greater importance in the South, and since March there has been no contact with the South.

3. Application of Chinese civil and commercial codes in British courts.—A Sino-British legal commission sat in Peking and drew up a report which was sent to London. Even if this report were accepted both in Peking and in London, it would not settle the question, owing to political, judicial, and legal differences between North and South. Certain codes are actually in existence and, given a uniform legal system, could be brought into operation in certain courts, but not universally.

4. British subjects to pay Chinese taxation.—Last Spring the Peking government was asked to supply the Bri-

tish government with a complete schedule of Chinese taxes, showing which items of this list might fairly be said to fall under the terms of the Chamberlain proposal The intention was to set up a joint commission, as under No. 3. to provide a plan of action. The Peking ministry has never replied, probably because no such list exists. Nor will they or any other government attempt to formulate proposals, because there is little or no regular and legal Chinese taxation, the greater part of revenue being collected in "irregular" ways.

5. Adoption of Chinese penal code in British courts.—The code is still incomplete and is likely to remain in its unpromulgated draft form for some time to come.

6. Rendition of British concessions.—Hankow and Kiukiang were handed over by the Chen-O'Malley agreements: Tientsin is under negotiation; Chinkiang was seized by the nationalists: Shameen is *in status quo;* and in other places —*e.g.* Amoy and Newchwang—where the crown has an interest in the land, the question does not arise.

7. Abolition of certain missionary privileges.—No action in the South, whence (especially the middle and upper Yangtze) the missionaries were evacuated, but some have since returned to contend with great difficulties; in the North, the Peking government has never yet produced the "Chinese laws and regulations," referred to in the British proposals.

The Lesson of Hankow

The meagre results of the Seven-Point Program show that where the policy depends on unilateral action by Britain it can be, and has been, carried out; but where it depends upon negotiation with a Chinese authority it proceeds at snail's pace or never moves at all. Only in the Hankow agreement was a quick result achieved; and, in this instance, the haste with which that ill-starred document was written was the original cause of many of the evils with which the British community have to contend in Hankow to-day. One need only compare the method of rendition in Hankow with the method adopted in Tientsin to see that we are as much to blame as the Chinese for the present plight of the former British concession in Hankow. The rendition in Hankow was a precipitate abdication of legal rights under the threat of force: the Tientsin agreement (still under consideration) is a document drawn up with real knowledge and foresight by men who knew all the risks involved. It is to be hoped that the British government has learned the lesson of this contrast. In all fairness to the British community in Hankow, we must add that they are not crying over spilt milk, but are gallantly making the best ofa bad job, with a sporting chance of recovery.

Specific Steps

Now, in all this, there is no very clear answer to the question propounded in the second paragraph above. To say that we can do nothing and must maintain a purely negative attitude is wrong. To say that because of March 24 we can never have relations with Nanking is also wrong. What, then, is the best course to pursue?

First, the Boxer Indemnity Bill should be passed by parliament at the earliest possible moment. Any further delay in this matter will have a bad effect on Chinese opinion; the Chinese regard it as a test question of our good faith, and since it is a matter in which the British government can act now, in fulfilment of its pledged word, speedy action is as necessary as it is easy.

Second, complete the Tientsin agreement and give the British community there the assurance that we will stand by them if threatened from without.

Third, take soundings in Nanking (which in fact represents, though badly, the China of the future) in order to find a way of establishing relations, of whatever informal character, for practical purposes. Among such purposes are the prosecution of reform in Shanghai—an ever-present problem which urgently needs statesmanlike treatment—and the working out of the Chen-O'Malley agreement in Hankow; both of them tasks which will require not a little diplomacy and some firmness; and, moreover, tasks which we can only perform effectively if we are in some kind of continuous touch with whatever government rules the Yangtze—

V —The End of Foreign Tutelage

Life in China leads to short views; and the shortest views are those of the treaty ports. Here are assembled men of all nations, whose business is trade, to whom politics are a matter of indifference, if not anathema, except when they impinge on commerce, and who are absolved from the effort of understanding the Chinese by the working of the compradore system. To the highbrow they leave the thankless task of looking into the future. Their frame of mind is the legacy of past times in which the foreign trader was deliberately excluded from any ordinary participation in Chinese life; and its chief political result to-day is that the foreign communities in the ports are so isolated from the main currents of modern China that they have little opportunity of gauging their significance. At the same time, there are individuals in every port—consuls,

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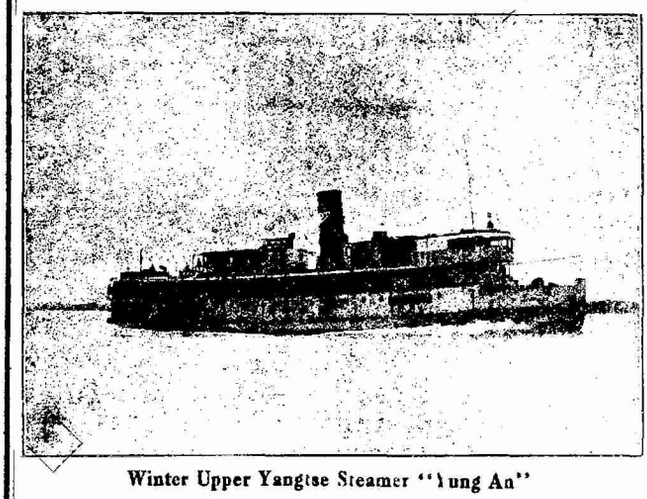

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bankers, brokers, missionaries—who have broken out of the stockade which separates the foreigner from the China. Such men know what is going on, but even they often lose heart in the contemplation of the poilitical chaos around them.

China's Need of Assistance

The seeker after truth, going in and out among these different men, finds that there is one subject on which the short-sighted and the long-sighted tend to agree. China, they say, can never put her house in order unaided. From such a premise it is no long step to the demand for foreign intervention, which has many supporters throughout the country, even among those who are not of the "Shanghai Mind."

Before accepting this conclusion, let us examine the premise in order to find out how far the Chinese themselves acknowledge its truth. It would be easy to show evidence in the history of the Manchu Dynasty, still easier in the story of the imperial maritime customs, the salt gabelle, and the post office, which proves its truth, but, except in the case of the customs, the modern Chinese would probably deny its validity by saying that foreign assistance was forced on China by the treaty powers.

We must therefore seek our evidence from some other source, and it will be found in the policy of Sun Yat-sen himself. When the author of the Three Principles set out to construct the Republic of China on the ruins of the empire he deliberately sought foreign aid, and when he failed to receive it from Western Europe or America he turned to Russia. Thus the prophet of the Chinese revolution showed that foreign assistance, of the proper kind and given in the proper way, was welcome. His followers have not receded from that position, and we may expect that some day they may realize that what Russia gave with an ulterior motive the liberal powers will be prepared to offer with no other motive than the welfare of China. At the present moment the prospect of cooperation between the powers—or any one of them—and China is not bright. Xenophobia is still rampant; and the anti-foreign tide will have to ebb far from its highwater mark of 1926 before the Chinese and the "Outsiders" can work effectively together for the benefit of China.

"Intervention" Futile

The premise being granted in the form of China's willingness to invite foreign help, in some appropriate way and at some future time, what is the conclusion? As commonly stated by foreigners in China, it takes the following form:—

"China's great evil is civil war, waged by tuchuns who seek to control the great cities and the railways, the former for their wealth, the latter for mobility. Deprive them of either source of strength, and their power to fight is gone and China will have peace. It is more effective to control the railways in the end, therefore foreign intervention should take the form of an international military railway police, controlling the rail-heads at five or six key points, *e: g.*—Peking Mukden, Tientsin, Shanghai, Nanking, Hankow, Canton—and forbidding any millitary traffic not duly authorized by the central government. Six months of such control will abolish tuchunism, strengthen the central government, restore the railways, and resuscitate trade."

The plan looks pretty on paper, but it is not practical politics. It assumes a central government, which does not exist; it assumes a Chinese welcome to this form of intervention, which is improbable; and it assumes unity of action by the powers, which is even less probable. Foreign intervention, in anything like its usual form, is a castle in Spain built by one who knows neither architecture nor Spain

Let us take the three points in their order. There is no central government to-day, nor any in sight for to-morrow. All that can be predicted—and here, as everywhere in China, the prophet might wisely save his breath—is that probably the Chinese government of the distant future will be the offspring of the Kuomintang, and that therefore any form of intervention must reckon with the fact that the party, of the South is the party of the future. Meanwhile the intervening foreigner—if intervention is to serve its appointed purpose—must take charge not only of communications, but of civil administration; and before intervention is a month old the foreign powers will be the government of China. Are the "interventionists" prepared for that result?

Force No Remedy

In the second place, foreign intervention, unless backed by overwhelming force, would be defeated by a political boycott beside which the Canton effort of 1925 was as a mouse to a lion. Politically speaking the powers, in the circumstances of to-day, could not govern an unwilling China, and those who believe they could simply do not know what has happened to the world in general since 1914. It is often said, to be sure, that a division of guards could march through China from Canton to Peking. No doubt they could! But, at the end of their victorious march, they would have left as much impression behind them as a foot, when raised, leaves on wet sand.

As for the third point, those who believe in the possibility of united action by the powers in pursuit of a policy of unlimited liability, such as intervention must inevitably be, may be advised to study the public opinion and the official attitude of London, Washington and Tokyo. Japan is playing her own game; Washington and London seem to have some common ground of principle, but do not act harmoniously; and, in the last resort, the British government is so firmly committed to the policy of the December, 1926, memorandum that intervention of the kind proposed is out of the question.

What remains? Let us first rid ourselves of the terminology of the past. "Intervention," "Tutelage," "Foreign Control"—words such as these, implying the will of a superior power imposed on an inferior, must be expunged from the vocabulary of our relations with China. Sir Austen Chamberlain himself told the powers a year ago that they must "expressly disclaim any intention of forcing foreign control upon an unwilling China."

But foreign aid, requested by a willing China, not to protect foreign interests but primarily to recreate Chinese sovereignty and to promote Chinese prosperity, is a very different thing. In the past the treaty powers have acted in China as a group pursuing self-interest. With only an occasional honorable exception, they have never placed the interests of China first: and their method has manifestly failed to promote Chinese interests, or, in the long run, their own. It is time to take a new course

Problem for the League

Since the War, Europe has taken a new course in her own affairs, and by the agency of the League of Nations substantial progress in European reconstruction has been made. Of this progress Asia is hardly yet aware, and the League thus suffers from the ignorance, the indifference, and even the open hostility of many Asiatic peoples. The Chinese, taking their cue at times from Moscow, profess to regard the League as an engine of European imperialism painted to look like philanthropy. They must be disabused of their delusion; and the present writer has the best reason to know that when the Chinese become aware of the significance of Geneva—even Geneva with all its shortcomings—they will see a new light on their own problem.

It is still too early to expect the League to enter the Chinese stage; the fever of revolution must pass its climax, and the Chinese must learn the lesson of their own disorder, before China can take her new course. But the time will come when, with civil war ending in exhaustion, with the unity of China approaching realization, benevolent aid from an external source will be urgently needed. Is it chimerical to believe that it will be sought by the Chinese themselves? If and when the request is made, it may be years hence—it may be sooner—the treaty powers will have to leave interests, concessions, all, in the hands of the League, in the belief that only thus can Chinese sovereignty and the interests of the world at large be finally reconciled. The task will be greater than any that the League has yet undertaken, but its magnitude is no cause for timidity, but rather a challenge to effort.

Japanese Report Alleges Edwardes and Soong Reached Agreement

The Japanese semi-official *Toho* news service on March 1 published the terms of an alleged understanding which was reached between A. H. F. Edwardes, British Acting Inspector-General of Customs and T. V. Soong, Nationalist Finance Minister during Mr. Edwardes recent trip to Shanghai. The *Toho* report stated that while Edwardes and Soong failed to reach an agreement on the matter of calling a joint conference of representatives of the Peking and Nanking Governments to discuss Customs question, that they did reach an understanding on the following points:

1—To enforce seven grades of tariff rates as a transitory measure. leaving the existing customs system as it is for the time being.

2—The Peking Government shall draft a plan for the enforcement of such taxation, and forward it to the Nanking Government for further consideration.

3—The Peking and Nanking Governments, after a further conference on the plan drafted by the Peking Government, shall simultaneously issue a Note to the Powers concerned to obtain their approval regarding the customs plan.

The Peking Government has formally organized a "Customs Autonomy Commission" which will serve as an official organ for the "preparation of restitution of customs autonomy for China," the commission to be composed of the following: Lo Wen-kan, Liang Shih-yi, Ku Wei-chun (Dr. Wellington Koo), Wang Yin-tai, Wang Ke-min, Li Su-hao, Yen Tse-pu, Shen Jui-lin, Mo Teh-hui, Tsao Ju-lin, Wu Chin, Hsia Jen-hu Ma Su and Chu Yu-chi.

In the United States Court for China

In re Last Will and Testament of THOMAS FERDERICK EARLE Deceased.	Cause No. 3038 Estate No. 673 NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of Thomas Frederick Earle, deceased, to present the same with vouchers to the undersigned, on or before August 23, 1928, and all persons owing debts to the said deceased are hereby notified to make payments of the same in due course to the undersigned.

LILLIAN AGNES EARLE,
c/o H. D. Rodger,
11 Yuen Ming Yuen Road,
SHANGHAI.

Shanghai, China,
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44-061

The Kuomintang Declaration of Principles

BY J. B. P.

The following Manifesto, translated by the Kuo Min News Agency, constitutes the policy of the Chinese Kuomintang Political Party as adopted at the Fourth Plenary Session of the Central Executive Committee of that organization which was held in Nanking early in February of this year. A summary of the action of the Central Executive Committee has already appeared in the foreign press but this report, to our knowledge, is the first complete publication to appear in any foreign newspaper in China. The second installment will appear in an early number of The Review.

Manifesto

Of all the world's peoples, the Chinese possess the oldest civilization and have made the greatest contributions to mankind. Our population, during the past two centuries, has totalled over half of that of the world. But in the course of the last hundred years, due to the backwardness of our culture and of our economic development, we have been oppressed by the penetration of European Imperialism into the East, and have gradually declined. However, the beginning of Imperialistic aggression in the East has at the same time given rise to a revolutionary movement by the Chinese people for national self-assertion and independence. Thus, while the past century has witnessed an apparent decline in the greatness of the Chinese nation, it has also constituted a period during which our people have continuously striven for the revival of our ancient culture in face of the gradual decay. The Chinese National Revolution under the leadership and guidance of our late Leader, Dr. Sun Yat-sen,—which is a movement for the independence of the Chinese people, the revival of our culture, and the development of the means of livelihood of the people, — constitutes the greatest effort for national salvation and revolutionary reconstruction,

Mr. H. H. Kung, Who Has Been Appointed Minister of Commerce and Industry of the Nationalist Government.

In the past hundred years the progress of China's revolutionary movement has fluctuated with the times, but its aspiration has always remained one and the same—to secure national independence, cultural revival, and the improvement of living conditions. The "Three People's Principles," as formulated by our late Leader, Dr. Sun Yat-sen, crystallizes our country's historic cultural spirit together with the world's scientific experience and knowledge and form the highest guiding principles of the Revolution. These principles are not only sufficient for the direction and guidance of the Chinese National Revolution both in theory and in practice; but no other nation which is seeking progress and permanent world peace could afford to deviate from them in their political and social organizations and in their administration of the nation and the states. The truth of this statement, all political and social experiences of the world, both in the past and the present, can well attest.

Imperialism and Communism

Modern Imperialism, brought into existence in the past century, by the improvement of production and expansion of various peoples, in the midst of incessant struggles and continued oppression, culminated in Europe's Great War ten years ago. Millions of lives were lost on the field and tens of millions more fell victims to disease, famine, and religious persecution. Not one single person of the vast mass of the entire world's humanity escaped the woeful effects of this great catastrophe. Meanwhile, the terribly venomous Communist revolution suddenly broke out in the most despotic and most backward Russian Empire, already bled white by the Great War, and soon spread into Central and Southern Europe. Then the Communist leaders in Russia, under the pretext of popular government and dreaming of a full realization of Communism, expediently changed their original policy and reverted to the ambitious schemes of Imperialist Russia for expansion southwards. Consequently, the Asiatic races who, in the past century, have groaned under the oppression of Imperialism, also found themselves seriously menaced by this Red terrorism. Their gigantic and uplifting revolutionary movements for national independence, cultural revival, and betterment of living conditions, so lost their proper and healthy progress that at times they verged on revolutionary madness. Turkey and China are the most deeply affected countries in this respect.

Internationally, the world today is a great feudalistic state. The Imperialistic Powers of today are similar to the Warring States in our early history; and the Communist Revolution as led and directed by the Third Internationale is merely like the despotic Chin Dynasty which sprang up after the period of the Warring States. But Communism is not satisfied merely with usurpation of the people's authority like Imperialism; for the degree of despotism and barbarity of the Red Imperialism of Communism is a hundred times more severe than that of (White) Imperialism. During the last nine years since 1919, the Communists in Russia, through self-inflicted punishment, have gradually realized their own mistakes and have more than once changed both their internal and foreign policies, though they have as usual tried to cover up the fallacy of their doctrines. Unfortunately, the oppressed peoples under Imperialism are as yet unable to discover and enlighten themselves as regards the fallacies of Communism and have been time and again deceived thereby. They have, on the one hand, found their various organizations incapable of healthy development, and, on the other, found it impossible to maintain steady progress in their movements for national independence and cultural revival. Furthermore, there have arisen mutual suspicion and struggles, thereby greatly jeopardizing the social order, national preservation, and the livelihood and safety of the people Even what little is left of the hope of the weaker peoples is in danger of being extinguished. The Communist movement of the Third Internationale, especially that among the oppressed peoples of the East, constitutes a great menace to the movement for national independence, and must be immediately crushed.

The Purgation Movement.

With this stupendous purpose in view and striving most energetically, to carry it into effect, our Party in April of last year instituted a thorough Purgation Movement, and exterminated the activities of the Communist Party. We opposed all the illegal acts of Soviet Russia and severed all our political connections with the Soviet Government It is impossible to say how many of our comrades during the last three years have struggled against the Communist Party, both in word or in deed, but despite all difficulties and hardships, temporary discords and dissensions, they have again become united, This is sufficient proof that the fundamental aim of our National Revolution is for national independence, cultural revival, and the betterment of our livelihood, and that the means by which we can achieve this aim is no other than the "Three People's Principles" laid down by our late Leader.

The National Revolution is now entering into the period of political and economic reconstruction following that of political propaganda and military conquest. Henceforth, our comrades as well as the whole nation must fully recognize that our past failures were due to our inability to observe the "Three People's Principles," and that for this reason the Communist Party became uncontrolled, thereby placing our nation in a precarious position by causing internal strife and international complications, and retarding the progress of the Revolution. Our fundamental principle hereafter should be strict and faithful obedience to the late Leader's instructions and wholehearted devotion to the completion of the work of National Reconstruction.

This Plenary Session of the Central Executive Committee of the Kuomintang, shouldering as it does the heavy responsibility of fulfilling the mission of the Revolution, hereby resolutely pledges itself to the task of directing all Kuomintang members and guiding the people of the country at this moment of our profound awakening, to devote themselves to the full realization of the "Three People's Principles and to the successful completion of the Revolution. In response to the demands of the Revolution at this stage, this Session has assembled the leaders of the people and hereby sets forth the following policies:

I. Internal Reconstruction: Our aim shall be to carry out all measures of reconstruction as laid down in our late Leader's "Principles of National Reconstruction." In order to realize this aim, we should, first of all, determine and define the

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principles of government by law. During the past few years, our Party has devoted its entire energy to military expansion and propaganda among the people; hence all political measures were adopted only with a view to meeting the demands of existing conditions, little regard being paid to their legality. Meanwhile, Communist propaganda, detrimental to the country, led the people towards social strife and abuse of law. The fact that one of the most important aims of the National Revolution is the establishment of a Constitutional Government was therefore forgotten by the people. We must realize that if our political proposals be not legal and our political organizations be not comprehensively and, at the same time, minutely regulated, not only will all our theorizing become merely empty words, but our social order, our lives and property as well as all means of livelihood will receive no protection. While the important mission of the nation-building Kuomintang is to awaken the masses, it must, at the same time, especially give protection to social order and safeguard the livelihood of the people. To this duty, our Party must henceforth devote its entire energy.

Secondly, our efforts should also be directed towards administrative reforms. In his discussion of the Principle of the People's Rights, our late Leader emphasized the difference between political and administrative rights, recognizing as of the foremost importance the building up of a strong and efficient administration, without which the most perfect principles and best policies cannot be carried out, and will always remain empty words.

Our sole duty at present is to create a good administration to relieve the sufferings of the people. Such an administration must be founded upon efficient organization aud smooth operation. Formerly, our Party adopted, as its administrative policy, the building up of a clean government. From now on we must not only be satisfied with passive efforts but must also take positive steps in building up and developing an efficient system of administration. The political principles of our Party having been already set forth in the Manifesto of the First National Congress of all Kuomintang Delegates, it has become the Party's duty to evolve a competent administration and to develop a personel, so as to be capable of assuming the responsibility of reconstruction.

2. *Education*: The preservation of the Chinese people hinges upon educational reforms. Since the World War, our students have begun to understand various political and social problems and have increasingly become dissatisfied with the present state of affairs. Our existing political organization and educational facilites not being in keeping with the demands of the time, there have arisen, in various places, all manner of educational disturbances. Taking advantage of the students' immaturity and lack of self-discipline, of social stagnation and the absence of reliable protection for the people, of human weaknesses and the world's general state of unrest, the Communists have used our youths as tools for inciting disturbances. They have seduced our students with money, corrupted them with evil practices, and deluded them with empty and false slogans, and finally driven them to destructive rioting. Many of our young men today have been led astray and have fallen victims into the Communist snare, without realizing the fact. Those realizing it, do not know how to extricate themselves. Even a good many of the peaceable and honest students are wandering aimlessly on the by-ways, very much like a blind man on a blind horse, riding in the dark on the edge of a precipice. One false step means everlasting sorrow.

At present, almost none of our educational institutions throughout the country, amidst the dangers of wars and political changes, subject to disturbances within, and facing the difficulty of getting suitable teachers, has been able to maintain itself. None of our students can settle down to study. Moreover, owing to the existence of many political factions and in the face of countless insidious designs, the students have become the object of political machinations. Rivalry leads to antagonism and antagonism leads to feuds. If such a state of affairs be not remedied immediately, but, instead, be permitted to continue and become virulent, not only will there be educational bankruptcy, but all our social sensibility will also eventually become extinct.

Our most grievous mistake today is the participation by immature students in our political and social strifes. All political and social movements are intimately concerned with the problems of the livelihood of the people and the interest of the nation. To participate in such affairs, one must possess accurate perception, competent judgment, and be cognizant of what is good and bad. Our immature youths, not yet fully developed physically and mentally, without sufficient knowledge and experience, are unable to cut themselves loose from the support of their elders and look after their own interests. How can they, therefore, be allowed freely to meddle with the weighty affairs of state and society? To permit them such freedom is not only to sacrifice to no purpose the precious and

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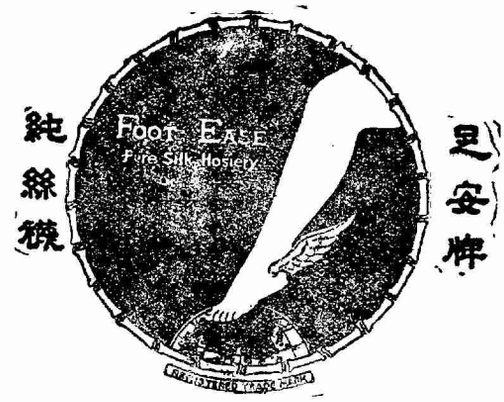

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cherished existence of our race, but also to allow them to treat the entire nation and human society as playthings.

In civil law, a legal age is usually provided for. All acts committed by minors become invalid before the law and therefore involve no legal obligation. But public rights of the people have still more limitations, due, not only to the necessity of maintaining public peace and order and national security, but also to the advisability of nurturing and protecting the young.

Our only hope of bettering the present condition of cultural backwardness, economic decay, and our physical and spiritual weakness, lies in the rising generation. We shall fall short of our duty and must hold ourselves responsible, if, at this stage of their maturing when they need our protection, we fail to equip them with proper knowledge and lead them in the right direction so that they can develop naturally and in a healthy manner. But, instead, we want to load them with heavy responsibilities which even men of affairs cannot shoulder, until they fall victims to their own mistakes and place society and the nation in jeopardy, and then inflict upon them heavy penalties incommensurate with their youth.

To remedy this situation, we must first protect the independence of education and fill it with truth. We must guard against contamination of our youths, popularize education of the people, and increase their knowledge; for what makes a people healthy and strong also constitutes the foundation of a strong nation. Especially must we attend to the education of our girls; for the training and development of healthy motherhood is the secret of 'mens sana in corpore sano,' and is necessary to our national salvation and racial preservation. The Chinese people must awaken to the truth of the foregoing principles and cooperate with the Kuomintang in the heavy task before it.

China Group of Pacific Relations Institute Starts Fourth Year's Work

The China Group of the Institute of Pacific Relations is entering upon the threshold of its fourth year of existence with an enlarged organization and a program more comprehensive and more extensive than that of the previous years, according to a statement by Mr. L. T. Chen, Secretary of the China Group.

"Our field of activities is steadily expanding," the statement says, "and to accommodate the growing demands for our services it is necessary that we enlarge our organization all around.

"The Executive Committee of our Group, formerly of seven, is now composed of nine members. The new seats created on this committee, it gives us pleasure to announce, are occupied by Mr. D. K. Lieu, director of Shanghai Bureau of Economic Information, Mr. Hsu Hsin-lu, manager of Chekiang Industrial Bank, and Mr. O. S. Lieu, the Shanghai manufacturer, in place of Mr. Huang Yen-pei who recently resigned on account of his proposed trip abroad.

"At our last meeting recently held in this city we also decided to increase the membership of our Board of Directors by addition of Messers H. H. Kung, W. W. Yen, Yen Fan-sen, Tsai Yuan-pei and Huang Ying-po.

"An unanimous decision was also reached that the following notables be invited to become the new members of our Group. They are; Dr. Chang Hsin-hai, Dr. Chiang Mon-ling, Dr. Hu Shih and Mr. Li Tao-nan.

"Our program, which will be on a far larger scale than we have ever attempted in the past, is twofold. One phase of it is general education in international understanding and goodwill through study and discussion groups. And the other is study research which also includes translation of books produced by leading authorities of the different countries. The projects proposed for our research this year included Study of the Mongolian and Manchurian Situation, China's Population and Land Utilization, Georogical Study of the Kiangsu Province, and An Intensive Study of the Laboring Conditions in Shanghai. In the carrying out of these projects we have invited the cooperation of Genching University, Nankai University, Shanghai College, University of Nanking and Kwang-hun University. We anticipate some interesting and valuable results from these researches.

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The Attack on C. C. Wu at Singapore

BY FAN FOO HSU

THE semi-official Nationalist Diplomatic Mission, composed of Dr. C. C. Wu, Messrs. Hu Han Ming and Sun Foo, were passing through Singapore by the steamer President Wilson on 6th Feb, on a tour of the various countries of the world to investigate recent social, economic and political situations, a thorough study of which, declared Dr. Wu, would be of great help to the Nationalists Government for constructive work. Prior to their arrival, elaborate preparations were made by the Chamber of Commerce, and various associations to extend to them their warmly felt welcome and give expression to their grateful feelings for their painstaking efforts and conscientious work in their partaking of creating a new epoch of China, which is eagerly awaited by the Straits Chinese.

On their arrival, the party were ushered to the Tung Teh Reading Society, which was founded by the late Dr. Sun, where Mr. Hu Han Ming delivered a long speech dwelling chiefly on the vital question of the "red purgation" of the Party, the responsibility of which task rests, emphasize the speaker, upon the shoulder of each member of the Party. "That's a death or life question," he declared. The oversea members were invited to co-operate with their co-workers in China, bearing in mind the principle, that "within the Party, there should be no factions". The speaker repeatedly called the attention of the audience to be deliberately aware that the liberal attitude of the late Dr. Sun towards communists should never be interpreted in the least sense of pro-communistic. It would be just as ridiculous as to accuse him of being pro-Royalistic, which is apparently impossible, merely because twenty years ago he maintained the same friendly attitude towards the Royalists, as a result of which many of the Royalists were converted to be now the staunch followers of the Nationalistic Doctrine.

Then they were entertained at the Chinese Chamber of Commerce. Messrs. Tan Kiar Kee and Lim Nee Soon, and Dr. Lim Boon Keng were also present. Dr. Wu spoke about the mission of semi-official delegation, emphasized the sorely felt need of a thorough study of the world present conditions, which might guide the Nationalists Government in directing its energies towards the constructive canal he also laid special stress upon the co-operation, and encouragement of the Straits Chinese in the new industrial enterprises.

In the course of his address Mr. Hu introduced a pleasantry by pointing out the conservative adherence to the Peking defunct Government on the part of the Chamber to still hoist the five coloured flag as the national banner, while the Nationalists Government covers about three fourth of the whole area of the country, and the bounding victory of the Nationalists and the doomed collapse of Chang Tso-ling are as sure as one lives. Upon this, Mr. Tan Kiar Kee rose up and explained the fact that as the Chinese Consul of Singapore is appointed by the Peking Government it is universally supposed that Singapore is under the jurisdiction of Peking. On the day following, a Nationalist flag was seen flapping on the top of the Chamber building.

In the day following, a reception was given in the Chamber, and another joint reception was held in the Chinese High School in honour of the Nationalist leaders. Messrs. Hu and Sun went to the High School and Dr. Wu to the Chamber. It was around the gate of the Chamber that the sensation of the political attempted assassination centers.

At the conclusion of the proceeding in the Chamber, the gathering broke up, and a group consisting of Dr. C. C. Wu, Mr. Lim Nee Soon, and Dr. Lim Boon Keng were about to enter a car when a shot rang out and two bombs were thrown which exploded. Mr. Lim Nee Soon was seen to fall but it was soon discovered that he was unhurt by the shot. Dr. Lim Boon Keng, however, was seen to stagger and blood was streaming from a wound in the lower part of his face. He was later carried to a hospital, and was found to be not seriously injured. Dr. Wu, for whom the bullet was apparently intended, cleverly dodged behind a car and escaped. The assailant, a Chinese young man of 25, able to speak different dialects, did not succeed in getting away, for he was at once chased and arrested and was charged in the Police Court.

Dr. Wu never lost his presence of mind, and managed to get away in a car. On the way Dr. Wu joined Messrs. Hu and Sun coming back from the School after the reception, and talked and laughed just as usual. Dr. Wu addressed a letter to the Colonial Secretary of Singapore, asking for clemency on behalf of the accused, on the ground that since it was a political case, it was not to be treated as common attempted murder case. His generosity won general approval.

Singapore, 9th February, 1928

New Books of Interest in the Far East

A Treatise on China by Sir Frederick Whyte

"China and Foreign Powers: An Historical Review of their Relations" by Sir Frederick Whyte. Published under the auspices of the Royal Institute of International Affairs, 1927. Oxford University Press. 2/6d.

This is a slim, cardboard-backed volume, which appeared during the earlier part of 1927 previous to the departure from England of Sir Frederick Whyte and his colleagues for Honolulu. The Royal Institute of International Affairs, after receiving from the Institute of Pacific Relations the invitation to send British delegates to the 1927 Honolulu conference, which it accepted on certain conditions, considered that a brief history of British relations with China would be useful to those of the general public also who were trying to follow the course of events in the Far East. The final draft of this little history, prepared by Sir Frederick Whyte, was the result of a series of discussions with other members of the party.

It would have been well if this book had appeared in China before the arrival of the Honolulu delegates, for it would have done much to modify the hostility of the more conservative British elements in Shanghai. Responsible people who were present at the Honolulu Conference record that it was through the contacts there made between Chinese and British personalities that Chinese confidence in British diplomacy got its first chance to recover after the blows of 1925—the outcome being the obviously improved Anglo-Chinese relations of 1928. If the conservative British elements in Shanghai had had the opportunity of reading this little historical summary of Sir Frederick Whyte's before his actual arrival in the Far East, their natural prejudices against him would probably have been considerably lessened—unless, indeed, they had been willing to confess their hostility to the policy of their own home Government. For Sir Frederick Whyte's main object, almost in this summary, seems to be to explain and, on the whole, to justfy, recent British policy in China. He succeds very well in his aim, and now that the prejudices of many of the leading Chinese against England are weakening, Chinese students should read with interest this record of British policy in China.

Of course, the book treats of a much wider field than purely Anglo-Chinese relations, but these are its main interest, as will readily be perceived from Sir Frederick Whyte's interpretation of the Washington Conference, of which, he says: "President Harding's proposal provided the occasion; and thus it came about that the Washington Conference gave us (Britain) a providential opportunity to extricate ourselves from an embarrassing and unprofitable situation. By the proposal to reopen the Far Eastern question at Washington Britain regained the initiative in the Pacific and still holds it"

It is doubtful if Sir Frederick was considering American susceptibilities when he wrote these words, but, if he is not wrong on this point, perhaps we have here the real explanation of the new naval building program.

The book has a number of very useful appendices, the majority of which reproduce the historic diplomatic documents of Anglo-Chinese relations. J. D. M.

Love and Adventure in Far West China

"The Goddess of Mercy" by James Livingstone Stewart; New York, The Revellco., $2.00.

There is a point in this book where the strain of reading becomes almost unbearable; not that the tale is *too* harassing, but that in the first half of it, the incident is insufficient to obscure the moralizing intention. It will be a remarkable reader who is able to get much beyond the middle of the book without taking a few days for rest and forgetfulness. On the other hand, it will be surprising if the reader is not drawn back to finish the story, for the promise of the first half, warped though if be if considered as a psychological approach, has something very attractive about it, and is more than fulfilled in the second half, where the intensity of the action renders almost subconscious, though equally effective, ones, realization of the poignant sorrows of China.

The tale is one of love and adventure, of politics and banditry, in far West China, in the province of Szechuan. In the earlier part of the book one has a passing feeling, caught, perhaps, from some still classically-minded Chinese, that "here is another of these would-be novels of our national life, written by one of these foreign devils who never will succeed in realizing that love-in-marriage is not, and never has been, the centre of our Chinese social and individual thought". However, as the book goes on, the writer's familiarity and sympathy with Chinese life become more and more evident, until finally the reader is carried off his feet by the impetus of the story and by those last murmured words: "Never in her long history has our loved Motherland needed Mercy more than now!" J. D. M.

Another Contribution to Shanghai's "Battle of the Directories"

The North-China Desk "Hong List" for 1928; published by the North-China Daily News and Herald, 17 The Bund, Shanghai: Price Mex.$9.

Shanghai is now experiencing a "Battle of the Directories" due to attempts on the part of new comers to compete with the old, established "North-China Desk Hong List" which has been published for many years. Whether the new-comers will be able to gain a foothold is not known, but they at least have forced the North-China Desk Hong List to make improvements, the most important being last year when the book came out in modern directory form. The issue for 1928 which is now being circulated to the public contains only the directory of Shanghai but also of the chief outports. There is also a directory of agents of foreign manufacturers, a Shanghai Who's Who, shipping and street list, a directory of local and outport foreign residents, list of diplomatic officials, etc. In the back pages are directories of the personnel of Protestant and Catholic Missionaries and exchange tables. The book consists of some 800 pages and is well printed.

As to the title of the book, "North-China Desk Hong List," we make the same criticism which we have made of the titles of other local directories: Why not call the book, the "Shanghai City Directory" so that strangers visiting the port would know what it is. In view of the well-known attitude of the *North-China Daily News*, regarding the so-called Soviet Russian menace in China, we would also be interested in knowing why they selected a bright red color for the binding of their directory?

Syrian Spent G. $80,000 Promoting New York Oriental Exposition

According to an article from the *World Wide News Association*, New York the Oriental Exposition held at Madison Square Garden from December 12, 1927 to Jan. 7, 1928 was a social and moral success despite the fact that it cost the promoter, Ralph M. Saliba, a Syrian, the sum of G.$80,000. The exposition occupied a space of 60,000 square feet and contained exhibitions of the arts and industries of Near and Far East, including India, Persia, Egypt, Java, Arabia, Turkey, China, Japan, Syria, the Philippines, Morocco, Armenia. One interesting feature of the exposition was a beauty show, the first prize in which was awarded to Miss Baretta Dewkin, an Indian girl who is a nurse in a hospital in New York. The project was endorsed by Al Smith, Governor of New York and James J. Walker, Mayor of New York City, both of whom attended. While thousands of persons visited the exhibits, the exposition was not successful from a financial standpoint, according to Mr. Saliba, the promoter, who stated however that he was satisfied with the first attempt and hoped that it could be made an annual affair. His purpose in promoting the show was to bring about better understanding between East and West, which, he declared, had been accomplished.

Chinese Firm in New Orleans Wants Agent in China

A Chinese firm, Quong Sun Company, Inc., importers and exporters, 525-527 St. Louis Street, New Orleans, La., U. S. A. has written *The Review* asking to be placed in touch with an importer or commission agent in China who would be interested in handling "Dried Shrimps," and "Canned Shrimps," under the terms of irrevocable letter of credit. The firm gives as reference, the Whitney Central Trust and Savings Bank and the Morgan State Branch Bank of New Orleans.

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The Missouri "News Monopoly" in the Far East

BY THOMAS F. MILLARD

In the New York Herald-Tribune

SHANGHAI, December 28, 1927: Some foreigners in China profess to "view with alarm" what is called variously the "Missouri news monopoly", the "Missouri oligarchy", and by less euphemistic names. There even is a movement afoot supported, according to report here, from a propaganda fund devoted to the "education" of the American people and Government about conditions in this country, to "expose" and to offset the alleged pernicious influence of that "monopoly". Its suppression is said to engage the attention of the recently organized Shanghai Facisti.

As the *Herald Tribune's* correspondent is credited with being the father and, as some say, the "master mind" of this "sinister" group, a short account of its beginnings and eventuation may be interesting. Your correspondent was born in the State of Missouri and was educated at the University of Missouri. Later he worked on newspapers at St. Louis and, in 1898, joined the staff of the *New York Herald*. In the late Nineties a College of Journalism was established at the University of Missouri, the first of its kind, I believe, in the world. Its "father" was Walter Williams, then editor of a "country" weekly paper published at Columbia, and a Curator of the University. Dr. Williams is now known internationally as "Dean" Williams (for he became Dean of that College of Journalism), President of one or two world congresses of journalism.

In 1910 your correspondent, in association with B. W. Fleisher (publisher of the *Japan Advertiser* at Tokyo) founded a newspaper at Shanghai, *The China Press*. The original staff included C. H. Webb, of St. Louis, who died at Shanghai late in 1926, and Carl Crow, a graduate of the Missouri College of Journalism. So began the Missouri news monopoly in the Far East.

Thenceforth, whenever a man was wanted for American newspaper work in Shanghai, or for the *Advertiser* at Tokyo, a letter or telegram was sent to Dean Williams. That started a "chain" which during the last fifteen years has brought about twenty-five students of the Missouri School of Journalism to Japan and China. From this end it has sent a score or so young Chinese, and a few Japanese, to study journalism at Columbia, Missouri.

In time those Americans, when their contracts expired, either went home, where a number of them now are working on foreign news desks of home papers, or came back to the Far East as correspondents for American publications. In time those Chinese and Japanese students returned to their native countries and engaged in journalism out here. I have just been looking at a photograph made at a dinner last winter, when ten University of Missouri journalistic alumni (seven Americans and three Chinese) held a little reunion at Shanghai, as the guests of Y. P. Wang advertising manager of *Shun Pao*, an important Chinese daily here.

At this time the principal news services sent from Shanghai to America have Missouri School of Journalism men at this end of the wires. Those are John B. Powell for the *Chicago Tribune* and the *Manchester Guardian*; Morris J. Harris for the *Associated Press;* Francis Misselwitz for the *New York Times;* and your correspondent. At Peking is Glenn Babb, chief *Associated Press* correspondent in China. At Tientsin, Hollington Tong directs a newspaper and corresponds for publications in America and England. At Hongkong Hin Wong edits a Chinese page in one of the foreign papers and sends correspondence to America. Kan Lee handled publicity for the Ministry of Finance in the National Government. Miss Eva Chang is now connected with the *Kuo Min* news agency. Margaret Powell helped on the *China Weekly Review* and formerly did publicity for the B. A. T. movie studio. Louise Wilson does the woman's department for the *North-China Daily News*, a British paper. At Tokyo, Frank Hedges is correspondent for the *Christian Science Monitor* and other papers. I cannot recall them all.

Why are these Missourians regarded as inimical, even as a "menace", by those foreign elements in China who typify the Shanghai Mind?

Looking back over quite a stretch of years, I can see no reason except that, from the beginning of their work in this part of the world, the Missourians had to be "shown": they always resisted the taboos and inhibitions which compose the traditional treaty-port complex. That is almost a heinous offense in the opinion of some elements of these foreign communities.

I know that Ben Fleisher and myself, in starting the "chain" that produced those results, had no idea that we were doing anything except to offer a chance for young American newspaper people to get some experience abroad which later, so we imagined, would help in the international political education of the American people; and, on the other hand, by getting young Chinese and Japanese interested in journalism, to implant the seeds of a new outlook in Eastern Asia.

I do not think the members of the "Missouri monopoly" in the Far East are worrying specially about the efforts to relegate them. They consider their present positions as a logical outcome of their experience. They think of themselves merely as pretty good newspapermen who have obtained jobs because they qualified for them.

Editor's Note:—Mr. Millard in the foregoing article overlooked Manila and another well known Missouri newspaperman, Mr. Roy Bennett, Managing Editor of the *Manila Bulletin* and correspondent for important home newspapers.

Improving the Soya-Bean in Manchuria

It may be said without exaggeration that in our days soya beans are among the most widely distributed agricultural products in the world. They are being utilized in Indo-China, India, the Malay and South Sea islands, in Australia, Egypt, Italy, France, Germany, Austria, England, Argentine, the United States of America, the U. S. S. R. and in Canada, everywhere, where the summer is warm enough to allow them to ripen.

Since ancient times soya beans have been cultivated in China. They are first mentioned in an old Chinese pharmacopoeia, a book written, according to tradition, by the emperor Shennung in 2838 B. C.

As soon as the construction of the Chinese Eastern Railway had opened North Manchuria to an extensive inflow of Chinese immigrants, the soya beans, particularly their yellow variety (export beans), have taken the first place in the list of plants cultivated in this territory. At the present time yellow soya beans occupy about 33% of all the fields in the agricultural districts of the area tributary to the Chinese Eastern Railway, and in the past three years—from 1922 to 1925—their output increased by 34% and the quantities of beans hauled by the railway have grown during 12 years—from 1912 to 1924—from 23.4 to 102.3 million poods, or by 337%.

China yields more than one half of the total world's export surplus of soya beans, whereby over 80% of Chinese exports of beans come from Manchuria. Beans and the products manufactured from them form the connecting link between the local farmer and the world market. Hence one can understand the tremendous economic importance of soya beans in the economy of Manchuria and the attention given this subject on the part of a great number of government, public and commercial organizations in the country.

Up to the present time, however, all these organizations have been acting independently from one another, without any mutual exchange of experience and often performing one and the same work two times, which has caused useless throwing away of money and waste of force.

Thus, many questions regarding the study, growth, distribution and utilization of beans have been thrashed out simultaneously by such institutions as the government experimental farms at Ninguta and Tsitsikar, the experimental field of the Chinese Eastern Railway, a part of the staff of the Agronomic Section and Agricultural Laboratory of the Land Department, several employees from the Mixed Storage Section of the Commercial Department of the Chinese Eastern Railway and the Economic Bureau of the Chinese Eastern Railway. Others interested in the problem are the Commercial and Industrial, Natural History Agricultural Sections of the Manchuria Recearch Society, and the Experimental Farm and formerly owned by the Manchurian Agricultural Society. These questions are also treated by the Experimental Farm of the South Manchuria Railway at Kungchuling. A great many matters concerned with this problem are studied by individual persons, who are members of the Union of Chinese Chambers of Commerce in the Special District of the Eastern Provinces, the Harbin Bourse Committee, Provincial District and Rural Chinese Agricultural Societies. Great attention is given the subject by local banks, individual exporters and representatives of the Bean Oil Mills Association.

Therefore, the creation of a competent and authoritative combine among the parties interested in the growing and sale of beans was one of the most important issues in the country.

The initiative for such a combine was made by the Manchuria Research Society a year ago, when at the meetings of its Commercial and Industrial Section the creation of a combined organ for studying and utilizing beans was suggested.

A short time ago this idea was put into effect.

At the meeting of the Committee of the Manchuria Research Society of December 14, 1917, an Organizatory

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Bureau of a "Permanent Conference for Soybeans investigations" was formed, consisting of Messrs. Chang Ting-kuo, Chairman, A. A. Neopihanoff and I K. Kabalkin, Vice-Chairmen and A. V. Marakueff and M. K. Gordeef, Members.

The objects of the "Permanent Conference" are laid down in clause ho. of its Constitution, as follows:

a) The bringing together of all persons and corporations interested in the study of the production, distribution and utilization of soya beans for the purpose of mutual Co-operation and Co-ordination of efforts.

b) Assistance to an extensive study of questions referring to soya beans of Manchuria and the rest of China.

c) Assistance in the work for selecting different varieties of soya beans, as possessing a greater force of resistance or adaptibility in different branches of industry.

d) Assistance to the investigations of the question of diseases of the beans and insect depredations and of means of fighting them.

e) Stimulating of interest toward the improvement of seeds on the part of the farming population of Manchuria, assistance to giving of prizes for better seeds, distribution of the better varieties, description and no menclature of different varieties of soya beans.

f) Establishment of market standards and grades of Manchuria soya beans, as well as popularization of the best methods for sorting and cleaning the beans for sale on international markets.

g) Investigations of the special economic features of the growing of soya beans in Manchuria, and the Manchurian trade in beans and their products.

h) Investigation of the question of a rational application of bean cultures in the rotation of crops in Manchuria and neighbouring districts.

i) Discovery of means for a profitable utilization of bean waste (shells, straw, etc.).

j) Assistance to the opening of experimental fields, holding of conferences, exhibitions, and competitions.

k) Publishing and republishing in the Russian, English and Chinese languages of the most valuable works on soya beans and translation of similar works appearing in other languages.

l) Discussion and enforcement of any other questions connected with the investigation and utilization of soya beans.

According to the idea of the initiators, the membership of the Conference should include all persons and corporations whose activities assist in the obtaining of the results as proposed in the above program: the Manchuria Research Society, several departments of the Chinese Eastern Railway, the Chinese Chamber of Commerce, the Land Department of the Special Area of the Eastern Provinces, local banks, exporters, experimental farms and agricultural associations, etc. A number of prominent executives have accepted the invitation of the "Organizatory Bureau".

Both the scope of activity of the "Permanent Conference" and its proposed composition permit to hope that the "Permanent Conference" will in a short time become a factor of tremendous business importance for the country. Already now it may be asserted that it will receive moral and material assistance from a number of local organizations, firms and persons.

There is no doubt about this, because individual and separate actions of public and business circles in the investigation of soya bean problems, the utilization of beans, their transportation, manufacturing and export to foreign markets are detrimental to the economic system of the country as a whole, and consequently also to its component elements. The complicated conditions prevailing in the current year upon the world market for beans and the reappearance of unfavourable factors for the sale of beans and their products in consuming countries show that united action is both necessary and timely.

The Organizatory Bureau believes that the work of the "Permanent Conference", when placed upon a sound basis, will by its very idea turn it into a serious authority not only within the boundaries of the country but also beyond, and that its activity will assist in increasing bean exports from Manchuria and thereby further the economic prosperity of the country. Besides it will help toward a rapid solution of all questions connected with exports.

One may also presume with certainty that the voice of the Permanent Conference will be listened to very attentively in the future by the business circles in the world centers for bean trade, because Manchurian soya beans yield over one half of the exportable surplus of this product. In this respect the "Permanent Conference for soya beans investigations proposes the calling of conferences, and from this standpoint it would perhaps be timely to raise the question of holding an "international Conference on soya beans" in 1929. The obvious place for holding such a conference is Harbin, which is the centre of the bean industry in Manchuria.

The conference would be of particular interest if it were held in summer time (best in August) and connected, as usual in such cases, with excursions to agricultural experimental establishments, mills and laboratories both in North and South Manchuria, Nikolsk and Suigen (Central Experimental Station of Korea, near Seoul)

In order to make the conference a success an understanding should be reached for the summer of 1929 between the works of experimental institutions of the Chinese Eastern Railway (Harbin, Echo, Anta). the South Manchuria Railway (Kungchulin, etc.), the Chinese government (Mukden, Kirin, Chengchiatun, Tsitsihar and Ninguta) and Far East of the U. S. S. R. (Nikolsk-Ussurisk and Blagovechensk). This would be possible by holding preliminary meeting not later than the middle of the coming 1928 year.

The above shows that the work of Conference will have to proceed in the closest contact with such scientific institutions as are studying the enumerated problems in other countries, which are all interested in the questions concerned and have reached quite important results. It is understood that only when all members are following one aim and receive support from everywhere, will the results be happy. Such universal attitude forward this word may only be obtained by the means of thorough mutual information and understanding on the plan of works.

Therefore the Presidium of the "Permanent Conference for soybeans investigations" hereby makes an appeal to all organizations working in the same domain, requesting them to send in materials, reports and so forth; on its part the Presidium of the "Permanent Conference for soyabeans investigations" will gladly undertake in the future to become the Intermediary between organizations in Manchuria and the rest of the world for an exchange of seeds, publications, etc.

All communications and inquiries in this matter should be addressed as follows:

"Permanent Conference for Soyabean Investigations".
C/o Manchuria Research Society.
Harbin, China.

B. A T. Becomes Patron of Future Nationalists

According to a report appearing in one of the Chinese newspapers in Shanghai, 160 Chinese women employes of the British-American Tobacco Company during February took advantage of the clause in the Company's recent strike settlement agreement pertaining to child-bearing. The agreement provides for leave of absence for six weeks prior to and following child-birth with payment of a portion of the regular wage during the period. The first month's operation of the plan is said to have cost the company approximately $5,000. According to the report in the Chinese newspaper the workers in the Company's Shanghai plants are now demanding payment of the so-called "child-bearing" fee during the progress of the recent strike which covered about three months.

Regular Express Train Service Between Shanghai and Honan Province

According to a telegram received in Shanghai this week from Chengchow, Honan, regular express-train service on the Lung-Hai Railway between Chengchow and Hsuchowfu has been inaugurated, the express trains departing from Chengchow on Tuesdays and Saturdays at 7:10 o'clock in the mornings and arriving at Hsuchowfu at 5 o'clock in the evenings of the same day. These express trains will link up with trains on the southern division of the Tientsin-Pukow Railway operating between Pukow and Hsuchowfu, thus facilitating rail communication between Shanghai and Honan province.

Robert Mishler, manager of Arkell and Douglas of Shanghai, is seriously ill at the Country Hospital.

Dr. A. L. Englaender will address the Royal Asiatic Society on March 15 on the subject, "Origin and Growth of Deserts" The lecture will deal chiefly with the encroachment of the desert on North China. Dr. Hu Shih, will address the Society on March 22 on "Wang Mang, The Socialist Emperor of the First Century, A. D."

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Men and Events

Ma Ping-yip, manager of the Sincere Company has gone to Hongkong on business.

Chu Ching-nung has been appointed President of Hangchow Christian College, Hangchow, Chekiang province.

Tung Wen College, the Japanese school at Shanghai will hold its twenty-fourth Commencement Day exercise on Sunday morning, March 11 at the College campus, 100 Hunjao Road.

Madame C. T. Wang is departing shortly for Chengchow, Honan province in order to join her husband who is Director-General of the Lung-Hai Railway with headquarters at Chengchow.

Philip Clover, agent of the Tide Water Oil Company of New York, which is represented in China by the Jardine Engineering Company, has returned to Shanghai from a business trip to Java.

Dr. J. H. Liu, chief of the department of surgery of the Peking Union Medical College at Peking is in Shanghai on his way to America and Europe. He will be away from China for about eight months.

O. K. Davis, secretary of the National Foreign Trade Council of the United States has announced that the next National Foreign Trade Convention will be held at Houston, Tex. on April 25, 26 and 27.

Judge Loo Hsing-yuan, President of the Provisional Court has announced that all title-deeds, contracts and official documents to be valid must contain revenue stamps affixed by the Nationalist Tax Bureau.

The Kiangsu Kerosene Tax Bureau has announced that the tax rate of $1 a case of ten gallons of kerosene will be levied beginning with March 1 in place of the rate of 60-cents a case levied previously.

The marriage will take place on Wednesday, March 14 of Kwok Yueh-wen, son of J. Kwok Lock of the Wing On Company and Miss Liang Mei-chuan, daughter of Mr. and Mrs. Liang Chang of the same company.

Geo. W. Missemer of the staff of *The Review* who has been confined to the General Hospital for several weeks suffering from acute rheumatism, is gradually recovering his health and expects to leave the hospital shortly.

Sir Miles Lampson, British Minister to China, who has been on a tour of South China ports including a visit to Canton arrived in Shanghai on Monday, March 5 for an inspection of local conditions following which he is planning a trip to Nanking and Hankow.

W. J Crone, an uncle of Chester Weiss of the U. S. Steel Products Corporation in Shanghai, who has been visiting here for some time has returned to his home in the United States. Mr. Crone was for a time connected with the advertising department of *The China Weekly Review*.

The Chinese General Chamber of Commerce of Hunchun, Manchuria has announced plans for the construction of a light-railway connecting that city with Vladivostok, the railway to be a Sino-Russian project, the Russian end to be managed by Meng Tai fu, a Chinese resident of Vladivostok.

The China International Famine Relief-Commission of Peking has sent out an appeal for funds for relief of victims of a flood at the mouth of the Yellow River due to the breaking of a wall at Litsing, Shantung. Some 80 villages were inundated and approximately 20,000 people driven from their homes.

A daughter Joan Evangeline, was born to the Rev. and Mrs. H. Swenson of Jersey City, N. J. Mr. and Mrs. Swenson who are connected with the Scandinavian Alliance Mission of North America at Kuyuan, (via Sian) Kansu province, are now home on leave and expect to return to China later this year.

General and Mrs. Chiang Kai-shek who were in Shanghai and Hangchow last week, have returned to Nanking. Gen. Chiang will shortly depart for Hsuchowfu where he will have charge of the Northern Punitive Expedition and according to report, Mrs. Chiang will accompany him and have charge of the Red Cross hospital unit.

Zau Ts-woo, a writer attached to the Shanghai Provisional Court was sentenced to fifteen months in jail and deprived of civil rights for life for soliciting a fee of Tls. 400 from a Chinese prisoner who appeared before the Court on a charge of attempted murder. According to the testimony Zau offered to influence one of the judges in order to have the accused released on bail.

Arthur M. Guttery, of the National Committee of the Y. M. C. A. who has been connected with the Chinese Y.M.C.A. at Hankow for some time, has departed for the United States on leave. The Board of Management of the Navy Y.M.C.A in Hankow recently passed resolutions expressing appreciation of the work of Mr. Guttery and expressing the hope that he would shortly return to China.

John K. Davis, American Consul at Nanking at the time of the Nanking incident in 1927, has been promoted from Class IV to Class III in the U. S. Foreign Service in recognition of his services at Nanking. The order for his promotion was accompanied by a letter of appreciation signed by President Coolidge. Mr. Davis is now connected with the American Legation at Peking.

More than 100 Americans and Chinese gave a farewell dinner to Dr. F. J. White, former president of Shanghai College, at the Majestic Hotel on the evening of Monday, March 5. Several addresses were delivered testifying to the service rendered by Dr. and Mrs. White in connection with Shanghai College. Dr. and Mrs. White are departing shortly for the United States where they will spend several months with their children.

Y. L. Tong, former chief of the diplomatic bureau attached to Marshal Feng Yu-hsiang's forces at Chengchow, Honan province, who was recently appointed Vice-Minister of Foreign Affairs in the Nationalist Government, arrived in Shanghai this week and after a few days here went to Nanking to assume his new post. Mr. Tong was accompanied by his secretary Hsu Teh-mo, who was a former student in Nanking University.

The Brook-Bright Foundation, 342 Madison Avenue, N. Y. is offering twenty-six free scholarships valued at G. $2,000 each for the promotion of Anglo-American understanding through education. Competition for the scholarships is open to students in any secondary school in the United States enrolling fifty or more students. In addition to the awards the student submitting the best essay will be given a round trip to England and a letter of credit for G. $500. The announcement states that the money for the prizes is being given anonymously.

Dr. Herman C. Liu, was formally inaugurated President of Shanghai College on Saturday, Feb 25, among the prominent visitors being Dr. Tsai Yuan-pei, Chancellor of the National University Council; H. H Kung, Minister of Commerce and Industry; Chang Ting-fang, Mayor of Greater Shanghai; Feng Shao-shan, chairman of the Chinese General Chamber of Commerce; Y C. Yang, President of Soochow University; T. C. Wu, representative of the college alumni; and the Rev. C. G. McDaniel of Soochow who represented the Baptist Mission Board.

Manuel L. Queson Pictures Philippines As "Republic of West Pacific"

The *Manila Bulletin*, American newspaper, recently published a message which Manuel L. Queson, president of the Philippine Senate, sent to the Filipinos under the heading, "A Message to My People." Mr. Queson, who became ill while on a recent trip to the United States, is now a patient at the Pottenger Sanitarium at Monrovia, California. His message to the Filipinos was as follows:

"My fellow citizens, there is one thought I want you always to bear in mind, and that is, that you are Filipinos, that the Philippines are your country and the only country God has given you. That you must keep it for yourselves, for your children, and for your children's children, until the world is no more. You must live for it and die for it if necessary.

"Your country is a great country. If has a great Past and a great Future.

"The Philippines of yesterday are consecrated by the sacrifices of lives and pleasures of your patriots, martyrs, and soldiers.

"The Philippines of today are honored by the whole-hearted devotion to its cause of unselfish and courageous statesmen.

"The Philippines of tomorrow will be the country of plenty, of happiness, and of freedom. The Philippines with her head raised in the midst of the West Pacific, Mistress of her own destiny, holding in her hand the torch of Freedom and Democracy, a republic of virtuous and righteous men and women, all working together for a better world than the one we have at present."

A few days previously Mr. Quezon painted a picture of the Philippine Republic of his dreams. He said:

"Just picture to yourselves, if you will, a Philippines raising her head as mistress of her own destinies in the midst of the West Pacific, holding the torch of democracy and freedom and pointing the way to the teeming millions of Africa and Asia now suffering under alien rule; a Philippines, heir in the Orient to the teachings of Christianity, a fair daughter republic of the greatest upon which the sun has ever shone, and tell me whether such a picture does not make you thrill with the pride of motherhood."

From the Chinese Press

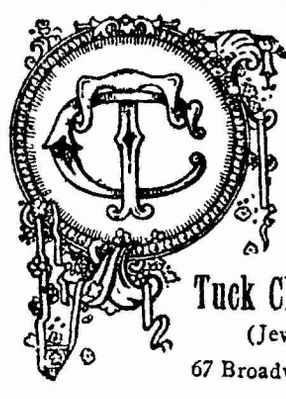
(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

February 29—Peking Government's "Customs Autonomy Commission," holds conference to hear Edwardes' report regarding his trip to Nationalist territory—Japanese cargo boat Kinko Maru runs aground on an island north of Formosa Straits and is looted by Chinese pirates; Japanese gunboat rescues 38 members of crew from a Japanese junk; Japanese ship total loss—Chinese steamer Hua-an, raided by pirates near Hongkong; reported steamer carried $300,000 which was stolen; also reported that Lin Shih-min, member of Fukien provincial government and four other Chinese taken as captives—Peking Customs Autonomy Commission holds another meeting participated in by Pan Fu, Lo Wen-kan, Wu Chao, Wellington Koo, Wang Ku-min, Yen To-pu, Liang Shih-yi, Chu Yu-tsai, Wang Yin-tai, Shen Jui-lin, Mo Teh-hui, Hsia Jen-hu and W. W. Yen, at which was decided to recommend to Marshal Chang Tso-ling that fourteen members be selected as official members of the Customs Autonomy Commision so as to make the organization official—Mo Teh-hui, Peking Minister of Agriculture and Industry states that it has not yet been decided whether the Peking Government will declare customs autonomy on Jan. 1, 1928 irrespective of the wishes of certain of the Powers—T. V. Soong, Minister of Finance of Nanking Government, in reference to Edwardes' visit to Shanghai stated that his conversations with Edwardes were concerned purely with the matter of increasing the customs tariff and that the matter of convening the customs conference or the Inspectorate General were not discussed—Li Tsung-jen departs from Nanking for Hankow to confer with Generals Bei Tsung-chi and Cheng Chien on the pacification of Hunan and Hupeh in order that some of the troops in those areas may be released for the campaign in the North—Yen Hsi-shan reports that Fengtien forces withdrawn from Tatungfu and Kalgan—Nanking receives report that Feng's forces have defeated Fengtien at Yuanshihsien on the Kin-Han line and that many Chihli-Shantung troops have been captured—Nanking organizes political committee to function in territories captured from Fengtien for purpose of organizing government in captured territories—Chiang Kai-shek forbids occupation of private property, impressment of coolies, solicitation of funds by soldiers—Nanking Military Council appoints Wang Ching-wei, Hu Han-min and Chen Chi-liang as members of Council —Traffic resumed alone entire line of Lung-Hai –Marshal Sun Chuan-fang returns to Tsinanfu from Peking military conference - C. T. Wang, director-General of the Lung-Hai and Y. L. Tong, depart from Chengchow for Nanking—Chang Tso-lmg orders issuance of $10 000,000 provincial loan bonds for purpose of rehabilitating depreciated paper money in Manchuria—Belgian Minister at Peking announces intention to return home at end of March—Anfu politicians in Tientsin hold conference on Tuan Chi-jui's birthday for purpose of lending support to their former chief—Nationalists announce opening of a Central Military Academy in Nanking on March 5—Peking report states that Chihli provincial opium tax expected to realize $10,000,000(?) monthly.

March 1—Japanese Minister Yoshizawa in *Toho* interview states that Japan has no objection to China's tariff autonomy providing China previously negotiates a reciprocal tariff treaty with Japan; also declared Japan will insist upon the abolition of likin—*Toho* message from Peking quotes article from Chinese newspaper, *Chen Pao* in reference to Edwardes trip to Shanghai, stating that Edwardes' trip was not an entire failure, that the Nationalist Government is not averse to adopting a moderate course, that the Nationalists will maintain the status quo, that the Nanking Government is likely to be agreeable to the use of the surplus for foreign loan payments, but that it would be difficult for the Nanking and Peking Governments to form a joint commission for the purpose of studying Customs questions—Quo Tai-chi in note to Senior Consul at Shanghai announces that Chinese authorities at Shanghai will enforce a tax of 6 percent on foreign residents and 11 to 12 percent on foreign business houses in Chinese territory, the money to be devoted to road improvement and construction and to the maintenance of municipal activites and that foreigners will be required to pay the tax—Nanking report states that Feng Yu-hsiang has announced that Tamingfu will fall shortly—*Kuo Min* report states that Sun Chuan-fang has practically been placed in control of Shantung province and that Chang Chung-chang will be transferred to Tientsin permanently—Nanking appoints Chao Pei-lin as vice-minister of Interior—Nanking Government Council announces that provisional regulations for punishment of counter revolutionaries is to be revised and that a committee of five consisting of Tan Yen-kai, Tsai Yuan-pei, Yu Yui-jen, Chang Ching-kiang and Wang Shih-chih be appointed to draft regulations for the inauguration of a civil service—Report from Chengchow states that headquarters of Northwestern forces has been removed to Kaifeng and that Feng Yu-hsiang is at Loyang inspecting his troops.

March 2—Japanese *Toho* service contains more statements regarding alleged understanding which was reached between Edwardes, Acting British Inspector-General of Customs and T. V. Soong, Nationalist Foreign Minister, the report stating that they agreed on the following points: (1) to enforce seven grades of tariff or transitory rates, leaving the system as it stands at present; (2) the Peking Government shall draft plan for the enforcement of increased taxation and forward same to Nankihg for consideration; (3) Peking and Nanking Governments after reaching agreement shall simultaneously announce to the Powers the new plan and ask approval—*Kuo Min* report from Nanking states that the newly created Ministry of Interior shall have charge of internal administrative policy, police, elections, land, census, citizenship, religion, public health and national relief—Nanking appoints committee to make arrangements for observance of the anniversary of the death of the late Dr. Sun and that National Arbor Day should be observed at the same time—Regulations of Central Council of Nationalist Government announced: (1) shall be responsible to the Kuomintang Central Executive Committee; (2) members to be nominated and elected by Central Executive; (3) all legal questions passed by Council shall be enforced by Government; (4) important political matters before enforcement by government must be considered by Council; (5) Council shall be empowered to establish committees of experts; (6) Chairman of Council must be elected from own membership; (7) there shall be one chief secretary with additional secretaries appointed and directed by Chairman—Thrice-a-week express service started between Pukow and Hsuchowfu on Tientsin-Pukow line—Refugees from Shantung reported moving into Honan—Tin Shih-chen, chief delegate from the Mohammedons of Sinkiang arrives in Chenchow to interview Feng Yu-hsiang on means for suppressing communism—Twenty-four delegates from Szechuen arrive in Nanking to discuss affairs of their province—Nationalists report that 3,499 Chinese banks and business houses have gone bankrupt owing to collapse of Chang Tso-ling's paper money in Manchuria—Chapei section of Shanghai decides to limit public rickshas to 2,800—Serious communist activities reported at Hanchuan according to Hankow report stating so-called "agricultural governments" have been set up—Peking establishes censorship for all books and magazines received from Shanghai—Chang Tso-ling orders Manchuria to raise $3,000,000 a month for war purposes—Gen. Tung Yoong-tsung appointed chief of staff to Military tupan of Chihli, according to Peking report —Ho Yin-chin, chief-of-staff to Chiang Kai-shek and concurrently chairman of the Chekiang Government announces plan for encouraging consumption of native goods in Chekiang; development of physical education in the schools and forestation—Mexico agrees to prolong Sino-Mexican treaty until end of 1928 according to report to Peking by Yoh Tse-chu, Chinese charge at Mexico city—Chang Tso-ling sends more soldiers to Tunghua section of Manchuria to suppress "Big Sword" corps.

March 3-4—Chinese Chamber of Commerce and merchants generally oppose Chang Tso-ling's new luxury taxes in Peking—So-called Five-Power banking group in Peking meets to consider T. V. Soong's recent statement regarding Salt Gabelle—Gen. Li Chi-sum arrives in Hongkong where he is guest of Sir Cecil Clementi, British Governor of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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Feb. 22nd	Sale Price Mar 1st	Approx. Yield to Maturity Mar. 1st
Czecho Slovak Govt. Sinking Fund Loan	8	Oct. 1, 1952	110⅜	111	7.05
Czecho Slovak Govt. Ext. S. F. Loan	7½	Oct. 1, 1945	105¼	105⅞	6.98
Republic Chile S.F. Loan	7	Nov. 1, 1942	102½	101½	6 84
Argentine Government.. Ext. S.F. Loan	6	May. 1, 1960	100⅛	100	6.00
Kingdom of Italy, Ext. S. F. Loan	7	Dec. 1, 1951	98¾	98½	7.13
Austrian S. F. G. Loan	7	June 1, 1943	103⅞	103⅜	6 60
Japanese Govt. £)	5	1907/1947	87½	87½	6.08
German Govt. S. F. Loan	7	Oct. 15, 1949	107⅝	107¼	6.34
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	101	100⅜	6.95
Saxon Public Works Inc. 1st Mtge. S. F. Loan	7	Feb. 1, 1945	101⅛	101⅜	6 82
German G.E.C.S.F. Loan	7	Jan. 15, 1945	104	105	6.51
Finnish Guaranteed Municipalities S. F. Loan.	6½	Oct. 1, 1954	100¼	99½	6.54
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98½	98½	6 65
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	100½	100⅝	6.44
Cuban Domin. Sugar Co. 1st Lien S. F. Loan	7½	Nov. 1, 1944	100⅜	100⅜	7.42
Camaguey Sugar Co. 1st. Mtge. S. F. Loan	7	Oct. 15, 1942	100₂	100½	6.95
Pennsylvania Dixie Cement Corporation	7	Pfd. Stock	96₂	96½	7.25
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	105	107	6.54
Willys Overland Co.	7	Pfd. Stock	96	95⅜	7.31
The National City Bank of New York	20	Stock	742	747	2.68
Republic of Peru Ext. Secured S. F. Loan	7½	Sept. 1, 1956	106½	106¾	6.95
Hershey Chocolate Corp.	$4	Pfd. Stock	71	71½	5.59
Belgian National Railway Co. Paticipating Pfd. Stock (American shares) Market to yield					7.25
City of Yokohama	6%	Dec. 1, 1961	——	98	6.14
Greek Government	6	Feb. 1, 1968	——	91	6.65

The National City Company, The National City Bank Building, No 2A Kiukiang Road, Shanghai, China.

Hongkong—Clementi will return visit shortly—*Kuo Min* report states that Communist regime at Haifeng, Kwangtung has been suppressed and that another expedition is being sent against the Communist regime at Weichow—Capture of Tamingfu by Feng's troops commanded by Gen. Liu Chin-hua, confirmed by *Kuo Min* report; more that 3,000 Fengtien troops captured—Nationalists mobilizing troops of 13th army, 4th and 10th armies at Hsuchowfu for advance into Shantung—Nanking report states that Shansi troops defeated Fengtien forces at Suhsien in Northern Shansi—Kiangsu kerosene tax bureau announces that new tax rate of $1 a case will go into effect on March 1—Nationalist Ministry of Foreign Affairs provided with fund of $48,000 for administrative work and $12,000 monthly for publicity—Canton report states that Gen. Chang Fa-kwei who was driven out of Kwangtung is now at Chienchang, Kiangsi with more than 20,000 troops—Chang Tso-ling calls another military conference in Peking to be participated in by Chang Chung-chang, Sun Chuan-fang, Yang Yu-ting and Chang Hsueh-liang—Mukden remits $2,500,000 to Peking for military use —Wang Pei-chun, Nationalist Minister of Communications announces that wireless service for news transmission is shortly to be established between Shanghai and Nanking and also that regular telegraphic service is to be improved.

March 5—Gen. Chang Cheng of the 4th independent division arrives at Amoy with 1,200 troops—Chinese Commerce Chamber at Hunchun announces plans to construct a light railway between Hunchun and a point near Vladivostok, the project to be a joint Sino-Russian enterprise—Peking announces special surtax on houses of amusement, licensed quarters, rickshas and motor cars to raise funds for paying policemen in Peking area—Nationalist Government issues provisional regulations for punishment of counter-revolutionaries—Martial law declared in Peking owing to rumors of uprising on part of Chinese "People's" Militia at Tungchow, near Peking—Gen. Chiang Kai-shek, accompanied by Gen. Ho Yin-chin, returns to Nanking after visit to Shanghai and Hangchow—Feng Yu-hsiang issues orders instructing subordinates to pay special attention to road construction in Honan, Shensi and Kansu.

Shanghai Exchange for Week Ending Wednesday, March 7, 1928

By Maitland, Fearon and Brand

Exchange:—The Price of Bar Silver in London has declined 1/16th since the date of our last circular, to-days quotations being 26 3/16d. for spot and 26⅛d for two weeks forward delivery. The official T T rates on London and New York are respectively 2/6 3/4d, and 62½, but at the close of the market there were sellers at the following rates, London T/T 2/7 New York 63 and Yen 74½. Banks were purchasers of 4 M/s export bills at 2 7 1/4 on New York.

On the whole, throughout the week, rates have remained remarkably steady, and as there appears to be little prospect of any substantial increase in exchange business as regards imports and exports at the moment we may look for a dull market and steady rates in the immediate future. The market to-day has been very inactive

Our stocks of silver are reported as follows —

Sycee and Bar Silver..... Tls 52,429,000 a decrease of Tls 1,409 000

Chinese and Mexican Dollars..... $ 82,650 000 an increase of $ 1,500 000

Estimated value Tls 111 937,000 as against Tls. 3, 559,000 held at this time last year

	Average rates for Feb.	Thursday Mar. 1	Friday Mar. 2	Sat Mar. 3	Mon. Mar. 5	Tuesday Mar. 6	Wed. Mar. 7
Bank's selling rates		opening	opening / closing	opening / closing	opening / closing	opening / closing	opening / closing
T/T London	2/6 760	2 6¾	2/6¾	2/6¾	2/6¾	2/6¾	2/6¾
D/Dfts ,	—	2/6 15/16	2/6 15/16	2/6 15/16	2/6 15/16	2/6 15/16	2/6 15/16
4 m/s ,,	—	2/7	2/7	2/7	/7	2 7	2/7
T/T India	170.740	170⅝	170⅝	170⅝	170½	170⅝	170⅝
T/T France	1,590 400	1590	1590	1590	1590	1590	1590
T/T Y	62.520	62½	62 1/16	62	62 1/16	62 9/16	62 1/16
T/T Demand		62⅝	62⅝	62⅝	62⅝	62⅝	62⅝
T/T Hamburg		261¾	261¾	261¾	26 3/4	261¾	261½
T/T H'kong	79 330	79¼	79¼	79¼	79¼	79¼	79¼
T/T Japan	75 040	74⅞	75	75	75	75	75
T/T Batavia	154 740	155½	155½	155½	155	155	155
T/T Straits	91.420	91	91	91	91	90¾	90¾
Bk's buying rate 4 m/s B/L, Cred D/A	2/8.760	2/8¼	2/8¼	2/8¾	2/8¾	2/8⅜	2/8¾
4 m/s . D/P	—	2/8 7/8	2/8 7/8	2/8 7/8	2/8 7/8	2 8 7/8	2/8 7/8
6 m/s , B/L Cred D/A	2/9.072	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16
4 m/s B/F Cred D/A or D/P	1,660 600	1660	1660	1660	1660	1660	1660
4 m/s N Y Lc	65.895	65⅞	65⅞	65⅞	65⅞	65⅞	65⅞
4 m/s ,, Docs	—	66⅜	66⅜	66⅜	66⅜	66⅜	66⅜

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Mar 1	Mar 2	Mar. 3	Mar. 5	Mar. 6	Mar. 7
*London Price of Bar Silver per oz (English Standard 925 touch)...Pence	26 3/16	26⅛	26⅛	26 3/16	26 3/16	26 3/16
**New York Price of Bar Silver per oz. (Pure)	G $ 57¼	G.$ 57⅛	G $ 57	G. $ 57	G $ 57⅛	G. $ 57
Shanghai Price of Gold Bars (weight Tls 10 (Chanping) 978 touch).....	ls 364.60	Tls 366.80	Tls 365.80	Tls 365.10	Tls 365.30	Tls 365.60
Shanghai Silver Bars (weight Tls. 100(C)999 touch)	110.9	110.90	110.9	110.9	110.9	110.9
Shanghai Mexican Dollars per $100.....	72 0625	72 0875	72.1875	72 15	72.1875	72.25
Native Bank Rate of Interest (Call money)	1%	1%	1%	1%	Nil	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	/T 124.02
Bank of France rate of discount	3½%	New York on London	T/T 487 1/4
London open Market of Dis. 3 m s	4⅛%	Bombay on London	T/T 1/5 31/32
,, 4 ,,	4 1/16%	Hongkong on London	T/T 2/0 1/8
,, 6 ,,	4 1/16%	Kobe on London	T/T 1/11 1/16